



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
Department of Technology, Management, and Budget  
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **11**  
to  
Contract Number **071B6600012**

<b>CONTRACTOR</b>	CYBER DEFENSE TECHNOLOGIES LLC
	1818 Library Street , Suite 500
	Reston, VA 20190
	William Kimble
	703-967-4767
	william.kimble@cyberdefensetechnologies.com
	CV0011984

<b>STATE</b>	<b>Program Manager</b>	Richard Reasner	DTMB
		517-241-7546	
		reasnerr@michigan.gov	
	<b>Contract Administrator</b>	Jarrod Barron	DTMB
		(517) 249-0406	
		barronj1@michigan.gov	

CONTRACT SUMMARY					
VULNERABILITY ASSESSMENT SERVICES					
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE		
November 17, 2015	November 17, 2020	2 - 1 Year	November 17, 2022		
PAYMENT TERMS		DELIVERY TIMEFRAME			
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING		
<input type="checkbox"/> P-Card	<input type="checkbox"/> PRC	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
MINIMUM DELIVERY REQUIREMENTS					
DESCRIPTION OF CHANGE NOTICE					
OPTION	LENGTH OF OPTION	EXTENSION	REVISD EXP. DATE		
<input type="checkbox"/>		<input type="checkbox"/>	November 17, 2022		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE			
\$2,840,998.31	\$17,256.64	\$2,858,254.95			
DESCRIPTION					
Effective 11/16/2021, the parties add \$17,256.64 for the annual Treasury PCI penetration testing services. All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency, DTMB Central Procurement and State Administrative Board approval on 11/16/2021.					



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> <a href="#">PCI PEN Test 2021-2022 (SOM fiscal year 2022)</a> <b>Vulnerability Assessment Service's (VAS) Contract No.</b> 071B6600012 – <a href="#">(Enterprise PCI Compliance Project Sub-Project Change Request)</a>	<b>Period of Coverage:</b> <a href="#">January through May 2022</a>
<b>Requesting Department:</b> DTMB CIP MCS / <a href="#">Treasury</a>	<b>Date:</b> <a href="#">October 19, 2021</a>
<b>Agency Project Manager:</b> <a href="#">Treasury: Amy Kelso</a>	<b>Phone:</b> <b>517-636-5372</b>
<b>DTMB Project Manager:</b> <a href="#">Linda Reaves, Project Manager - Agency Services supporting Treasury; MCS -Rich Reasner; MCS Project Manager – Rajeev Ranjan</a> <b>Ref:</b> <a href="#">Treasury Project FS-130 SOM PCI Compliance</a>	<b>Phone:</b> <b>517-241-0344/517-241-4090</b>

**SERVICES TO BE PROVIDED AND BACKGROUND:**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with Cyber Defense Technologies, LLC (CDT) to provide the State of Michigan with Vulnerability Assessment services to validate SOM information technology (IT) and environmental security posture on an ongoing bases.

Cyber Defense Technologies, LLC (CDT) will provide different levels of IT security vulnerability assessment services that are defined in the Tasks listed below.

This Statement of Work (SOW) is a change request SOW for modification to the original contract with Cyber Defense Technologies, # 071B6600012. The Michigan Department of Treasury and Department of Technology, Management and Budget (DTMB) PCI Compliance Project 2021-2022 (SOM fiscal year 2022 /Project FS-130) wishes to utilize the selected contract services from the tasks listed below and add funding to the original contract in the amount of \$17,256.64.

**PROJECT OBJECTIVE:**

- Eliminate or lessen the number of security threats/gaps
- Lower the risk of network and/or system attacks as security gaps are closed
- Protect CJIS, IRS, PCI, PII, and HIPAA information to the fullest extent possible
- Increase security awareness throughout all SOM agencies by providing security technical expertise to secure their business solutions and operations
- Increase SOM's security posture and protect all SOM assets
- Prevent attack recovery costs and protect SOM reputation

**SCOPE OF WORK:**

The CDT Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies
- providing cost estimates and proposed test schedules

- conducting security inspections, scans, penetration testing
- result reporting with remediation/mitigation suggestions
- validation testing after remediation/mitigation actions
- metric reporting of on-going security stature

See the attached CDT Requirements Document for the detailed VAS services being requested by The Michigan Department of Treasury, Department of Technology, Management and Budget (DTMB) PCI Compliance Project 2021-2022 (SOM fiscal year 2022 / Project FS-130).

#### **TASKS:**

The full technical scope of VAS contracted services is listed below and the Michigan Department of Treasury and Michigan Department of Technology, Management and Budget (DTMB) PCI Compliance Project 2021-2022 (SOM fiscal year 2022 / Project FS-130) will utilize those items highlighted from this listing. All VAS sub-projects may use one or a combination of the following:

- ☐ External Network Vulnerability Penetration Testing
- ☐ Internal Network Vulnerability Penetration Testing
- ☐ Web Application / Database Penetration Testing
- ☐ Internal / External Trusted Cloud Assessments
- ☐ DMZ or Network Architecture Testing / Reviews
- ☐ Wireless Network Penetration Testing
- ☐ Virtual Infrastructure Security Penetration Testing
- ☐ Server Configuration Scanning / Reviews
- ☐ Firewall and Router Configuration Reviews and Testing
- ☐ VPN Configuration Reviews and Testing - \*Specific to In-Scope Workstations and MFDs (Approximately 40 workstations, VPN infrastructure, associated VOIP phones, and 14 fax devices)
- ☐ Voice over IP Review and Testing
  - Social Engineering Testing
- ☐ Physical Security Inspections and Testing
- ☐ Software Source Code Reviews and Testing
- ☐ Application threat Modeling and Design Reviews
- ☐ Information Security Policy and Procedure Reviews
- ☐ Information Security Risk Assessment Reviews
- ☐ Security Awareness Program Reviews
- ☐ Incident Response Program Reviews
- ☐ Secure SDLC Development Reviews
- ☐ PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79
- ☐ PCI Report on Compliance Assessment or Gap Analysis Reporting
- ☐ HIPAA Scans in accordance with Federal Laws, Regulations, & NIST HIPAA Standards 800-66
- ☐ HIPAA Report on Compliance Assessment or Gap Analysis Reporting

- ☐ CJIS, CMS, IRS Compliance Security Assessments
- ☐ Other assessments to determine compliance with State, Federal Laws, Regulations and
  - Industry Recognized Standards
- ☐ Revalidation Reviews

**DELIVERABLES:**

The CDT Contractor will supply the following deliverables as defined in the contract with MCS under this SOW:

- Vulnerability Assessment (VA) Requirements Meetings
- Vulnerability Assessment (VA) Requirements Documents for each sub project
- VA Project Plan for each sub project
- Memorandum of Understanding or Rules of Engagement document for each sub project
- Project Roles & Responsibilities for each sub project
- Cost Estimate for each sub project
- Debrief meetings to review testing /finding results for each sub project
- Plan of Action & Milestones (POAM) for each sub project
- On-Going Metric Report for each sub project
- Project Staffing Structure
- Staffing Resumes / Background checks completed prior to work
- Report Standard Formats
- Practice Issue Management & Logging
- Practice Risk Management & Planning
- Practice Change Management
- Provide Work Activity Reporting (WAR) reports of work done

**ACCEPTANCE CRITERIA:**

Deliverables that are documents must:

- Be allowed no less than five (5) business days for review by the State of Michigan.
- Be in electronic format, compatible with the State of Michigan software in accordance with Article 1.302 of original contract.
- Provide a heading indicating document name on each page
- Provide page number and “of pages” on each page.
- Provide an “as of” date.
- Indicate final and not draft status
- Reflect correction of feedback provided by the State, regarding but not limited to, level of detail and clarifications.
- Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager.

The following requirements for final project acceptance apply:

- That all service deliverables defined in this purchase order Statement of Work have been completed and approved in writing by the Agency Manager, POC or DTMB Project

Manager.

- That debrief meetings with mitigations have been validated by a follow-up validation test to confirm required mitigations were successful.
- Final acceptance of the named Agency Manager, or designated agency POC on the invoice for Vulnerability Assessment Services provided to the sub-project of The Michigan Department of Treasury, Michigan Department of State, and Department of Technology, Management and Budget (DTMB) PCI accepting all deliverables.

#### **PROJECT CONTROL AND REPORTS:**

- Status updates are made daily during scanning & reviews with primary point of contact onsite with the Contractor
- Monthly meetings to discuss the projects' work done, work that will be done with MCS Project Managers. Review of updated project plan's, deliverable status's, schedules, issue log, risk log and change log will be completed at each meeting as necessary.
- Agency Manager or agency POC will review day to day deliverable items on an ongoing bases during on-site work visits. Performance evaluations will be on-going with status meeting updates and work.
- Milestones and deliverables built into project plan's.
- Deliverable Quality Assurance monitoring on-going through contract duration.

#### **SPECIFIC DEPARTMENT STANDARDS:**

SOM DTMB technology standards and policies will apply to all work being done under this contract. Links are provided in the original contract in section 1.103 Environment.

#### **Additional Security and Background Check Requirements:**

Contractor must present certification evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC).

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

#### **PAYMENT SCHEDULE:**

Payments will be made on the satisfactory acceptance of deliverables and milestones as defined in the VAS contract which is reflected in this change request SOW.

- Work performed is defined in detail in the attached CDT contractor requirements document with attached project plan and cost estimate for this Michigan Department of Treasury and Michigan Department of Technology, Management and Budget (DTMB) PCI Compliance Project 2021-2022 (SOM fiscal year 2022).
- All VAS project(s) will be estimated and invoiced using the firm fixed price rate per category of employee or title type as quoted in the original VAS contract.
- Invoices will not be paid for more than this SOW estimated amount.
- Invoices will be paid in a timely matter when the projects' deliverables have been completed and the SOM agency Manager or designated agency POC has approved the invoice.
- The Contractor will be required to submit an Administrative Fee (see Section 2.031) on

all payments remitted under the Contract.

Extended purchasing program volume requirements are not included, unless stated otherwise.

Treasury will pay the CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order. Treasury Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project Agency & POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

**The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project invoice submitted. Contractor invoices will be returned if a copy of the project requirements document, schedule, cost estimate and approved purchase order are not affixed to the invoice. The invoice will not exceed the approved purchase order amount for services.**

All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

**EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

**PROJECT CONTACTS:**

Agency Manager – Amy Kelso  
Department of Treasury  
State of Michigan Operations Center/Secondary Complex  
7285 Parsons Drive  
Dimondale, MI 48821

517-636-5372  
[kelsoa@michigan.gov](mailto:kelsoa@michigan.gov)

And

Linda Reaves  
DTMB Enterprise Project Management Office  
State of Michigan Operations Center/Secondary Complex  
7285 Parsons Drive  
Dimondale, MI 48821  
517-636-4595  
[reavesl@michigan.gov](mailto:reavesl@michigan.gov)

And

Mark Lawrence (Technical concerns)  
DTMB Technical Liaison  
State of Michigan Operations Center/Secondary Complex  
7285 Parsons Drive  
Dimondale, MI 48821  
517-636-0137  
[Lawrencem2@michigan.gov](mailto:Lawrencem2@michigan.gov)

The SPOC for original overall contract:

Richard Reasner  
DTMB CIP -MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-373-3832  
[ReasnerR@michigan.gov](mailto:ReasnerR@michigan.gov)

Or a designee assigned from DTMB CIP - MCS

#### **AGENCY RESPONSIBILITIES:**

##### **Agency Manager- (Agency) and Point of Contact (POC)**

Each SOW will identify an Agency Manager and POC who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Agency Manager and POC will provide the following services:

- Provide and/or coordinate State facility access, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors if external host testing is needed
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverables/milestones

- Review and sign-off of invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Submit SOM Purchase Order requests for sub-project
- Arrange, schedule and facilitate State staff attendance at project meetings.
- Submit EASA, ISR forms or create Remedy tickets as required.

**LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

Testing to be conducted remotely at Contractor Facilities – CDT and TrustedSec Offices as well as remote locations (2603 Treyburne LN SE, Owens Cross Roads, AL 35763)

**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.

Test Team will be permitted to test both during and outside of core business hours.

No overtime will be authorized or paid.

The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

This purchase order is a release from Contract Number 071B6600012. This purchase order, statement of work, and the terms and conditions of Contract Number 071B6600012 constitute the entire agreement between the State and the Contractor.

## APPENDIX A

### VAS Project Cost Table by Resource

Staffing Category	Total Hours	Fixed Hourly Rate	Total Cost
Account Manager	13	\$124.78	\$1,622.14
SME Security Technician With Greater Than 10 Years of Information Security Vulnerability Assessment-Related Experience	25	\$144.41	\$3,610.25
Sr. Security Technician With Greater Than 7 Years to 10 Years of Information Security – Related Experience	75	\$125.15	\$9,386.25
Mid-Level Security Technician With 3 Years to Less than 7 Years Information Security-Related Experience	25	\$105.52	\$2,638.00
Jr. Security Technician With Less Than 3 Years Information Security-Related Experience	0	\$91.08	
Grand Total Project Cost	138		\$17,256.64

APPENDIX B

VAS Project Cost Table Task and Resource Breakout

Task		Hours by LCAT						Totals by Task	
		Acct Manager	SME	SR Sec Tech	Mid Sec Tech	Jr Sec Tech		Hours by Task	Total Task Cost
LCAT Rate		\$124.78	\$144.41	\$125.15	\$105.52	\$91.08			
External Penetration Testing									
Internal Penetration Testing		13	25	75	25	0		138	\$17,256.64
Application Penetration Testing									
10% Reserve for Validation Testing									
Total Hours by LCAT		13	25	75	25	0		138	
Total Cost by LCAT		\$1,622.14	\$3,610.25	\$9,386.25	\$2,638.00	0			\$17,256.64



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **10**

to

Contract Number **071B6600012**

<b>CONTRACTOR</b>	CYBER DEFENSE TECHNOLOGIES LLC
	1818 Library Street , Suite 500
	Reston, VA 20190
	William Kimble
	703-967-4767
	william.kimble@cyberdefensetechnologies.com
	CV0011984

<b>STATE</b>	<b>Program Manager</b>	Richard Reasner	DTMB
		517-241-7546	
		reasnerr@michigan.gov	
	<b>Contract Administrator</b>	Jarrod Barron	DTMB
		(517) 249-0406	
		barronj1@michigan.gov	

**CONTRACT SUMMARY**

**VULNERABILITY ASSESSMENT SERVICES**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
November 17, 2015	November 17, 2020	2 - 1 Year	November 17, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card	<input type="checkbox"/> PRC	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 Year	<input type="checkbox"/>		November 17, 2022
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,840,998.31	\$0.00	\$2,840,998.31		

**DESCRIPTION**

Effective 8/19/2021, the parties exercise the final option year. All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency and DTMB Central Procurement Services approval.



# STATE OF MICHIGAN CENTRAL PROCUREMENT SERVICES

Department of Technology, Management, and Budget

525 W. ALLEGAN ST., LANSING, MICHIGAN 48913

P.O. BOX 30026 LANSING, MICHIGAN 48909

## CONTRACT CHANGE NOTICE

Change Notice Number 9

to

Contract Number 071B6600012

<b>CONTRACTOR</b>	CYBER DEFENSE TECHNOLOGIES LLC
	1818 Library Street , Suite 500
	Reston, VA 20190
	William Kimble
	703-967-4767
	william.kimble@cyberdefensetechnologies.com
	CV0011984

<b>STATE</b>	<b>Program Manager</b>	Richard Reasner	MULTI
		517-241-4090	
		reasnerr@michigan.gov	
	<b>Contract Administrator</b>	Jordan Sherlock	DTMB
		517-243-5556	
		sherlockj@michigan.gov	

CONTRACT SUMMARY				
VULNERABILITY ASSESSMENT SERVICES				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
November 17, 2015	November 17, 2020	2 - 1 Year	November 17, 2021	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	12 months	<input type="checkbox"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,823,741.67	\$17,256.64	\$2,840,998.31		
DESCRIPTION				
Effective 1/20/2021 this contract is increased by \$17,256.64, and is incorporating the attached Statement of Work.				
All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval.				



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> <a href="#">PCI PEN Test 2020-2021</a> <b>Vulnerability Assessment Service's (VAS) Contract No.</b> 071B6600012 – <a href="#">Enterprise PCI Compliance Project Sub-Project Change Request</a>	<b>Period of Coverage:</b> <a href="#">January 21 through May 2021</a>
<b>Requesting Department:</b> DTMB CIP MCS / <a href="#">Treasury</a>	<b>Date:</b> <a href="#">January 04, 2021</a>
<b>Agency Project Manager:</b> <a href="#">Treasury: Amy Kelso</a>	<b>Phone:</b> <b>517-636-5372</b>
<b>DTMB Project Manager:</b> <a href="#">Linda Reaves, Project Manager - Agency Services supporting Treasury; MCS -Rich Reasner</a> <b>Ref:</b> <a href="#">Treasury Project FS-128</a>	<b>Phone:</b> <b>517-241-0344/517-241-4090</b>

**SERVICES TO BE PROVIDED AND BACKGROUND:**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with Cyber Defense Technologies, LLC (CDT) to provide the State of Michigan with Vulnerability Assessment services to validate SOM information technology (IT) and environmental security posture on an ongoing bases.

Cyber Defense Technologies, LLC (CDT) will provide different levels of IT security vulnerability assessment services that are defined in the Tasks listed below.

This Statement of Work (SOW) is a change request SOW for modification to the original contract with Cyber Defense Technologies, # 071B6600012. The Michigan Department of Treasury and Department of Technology, Management and Budget (DTMB) PCI Compliance Project 2020-2021 (Project FS-128) wishes to utilize the selected contract services from the tasks listed below and add funding to the original contract in the amount of \$17,256.64.

**PROJECT OBJECTIVE:**

- Eliminate or lessen the number of security threats/gaps
- Lower the risk of network and/or system attacks as security gaps are closed
- Protect CJIS, IRS, PCI, PII, and HIPAA information to the fullest extent possible
- Increase security awareness throughout all SOM agencies by providing security technical expertise to secure their business solutions and operations
- Increase SOM's security posture and protect all SOM assets
- Prevent attack recovery costs and protect SOM reputation

**SCOPE OF WORK:**

The CDT Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies
- providing cost estimates and proposed test schedules
- conducting security inspections, scans, penetration testing
- result reporting with remediation/mitigation suggestions
- validation testing after remediation/mitigation actions
- metric reporting of on-going security stature

See the attached CDT Requirements Document for the detailed VAS services being requested by The Michigan Department of Treasury, Department of Technology, Management and Budget (DTMB) PCI Compliance Project 2020-2021 (FS-128).

#### **TASKS:**

The full technical scope of VAS contracted services is listed below and the Michigan Department of Treasury and Michigan Department of Technology, Management and Budget (DTMB) PCI Compliance Project 2020-2021 will utilize those items highlighted from this listing. All VAS sub-projects may use one or a combination of the following:

- ☐ External Network Vulnerability Penetration Testing
- ☒ Internal Network Vulnerability Penetration Testing
- ☐ Web Application / Database Penetration Testing
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800-79

- ☐ PCI Report on Compliance Assessment or Gap Analysis Reporting
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#### **DELIVERABLES:**

The CDT Contractor will supply the following deliverables as defined in the contract with MCS under this SOW:

- Vulnerability Assessment (VA) Requirements Meetings
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- Final acceptance of the named Agency Manager, or designated agency POC on the invoice for Vulnerability Assessment Services provided to the sub-project of The Michigan Department of Treasury, Michigan Department of State, and Department of Technology, Management and Budget (DTMB) PCI accepting all deliverables.

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- Status updates are made daily during scanning & reviews with primary point of contact onsite with the Contractor
- Monthly meetings to discuss the projects' work done, work that will be done with MCS Project Managers. Review of updated project plan's, deliverable status's, schedules, issue log, risk log and change log will be completed at each meeting as necessary.
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Contractor must present certification evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC).

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

## **PAYMENT SCHEDULE:**

Payments will be made on the satisfactory acceptance of deliverables and milestones as defined in the VAS contract which is reflected in this change request SOW.

- Work performed is defined in detail in the attached CDT contractor requirements document with attached project plan and cost estimate for this Michigan Department of Treasury and Michigan Department of Technology, Management and Budget (DTMB) PCI Compliance Project 2020-2021.
- All VAS project(s) will be estimated and invoiced using the firm fixed price rate per category of employee or title type as quoted in the original VAS contract.
- Invoices will not be paid for more than this SOW estimated amount.
- Invoices will be paid in a timely matter when the projects' deliverables have been completed and the SOM agency Manager or designated agency POC has approved the invoice.
- The Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Extended purchasing program volume requirements are not included, unless stated otherwise.

Treasury will pay the CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order. Treasury Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project Agency & POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

**The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project invoice submitted. Contractor invoices will be returned if a copy of the project requirements document, schedule, cost estimate and approved purchase order are not affixed to the invoice. The invoice will not exceed the approved purchase order amount for services.**

All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

**EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

**PROJECT CONTACTS:**

Agency Manager – Amy Kelso  
Department of Treasury  
State of Michigan Operations Center/Secondary Complex  
7285 Parsons Drive  
Dimondale, MI 48821  
517-636-5372  
[kelsoa@michigan.gov](mailto:kelsoa@michigan.gov)

And

Linda Reaves  
DTMB Enterprise Project Management Office  
State of Michigan Operations Center/Secondary Complex  
7285 Parsons Drive  
Dimondale, MI 48821  
517-636-4595  
[reavesl@michigan.gov](mailto:reavesl@michigan.gov)

And

Mark Lawrence (Technical concerns)  
DTMB Technical Liaison  
State of Michigan Operations Center/Secondary Complex  
7285 Parsons Drive  
Dimondale, MI 48821  
517-636-0137  
[Lawrencem2@michigan.gov](mailto:Lawrencem2@michigan.gov)

The SPOC for original overall contract:

Richard Reasner

DTMB CIP -MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-373-3832  
[ReasnerR@michigan.gov](mailto:ReasnerR@michigan.gov)

Or a designee assigned from DTMB CIP - MCS

## **AGENCY RESPONSIBILITIES:**

### **Agency Manager- (Agency) and Point of Contact (POC)**

Each SOW will identify an Agency Manager and POC who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Agency Manager and POC will provide the following services:

- Provide and/or coordinate State facility access, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors if external host testing is needed
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverables/milestones
- Review and sign-off of invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Submit SOM Purchase Order requests for sub-project
- Arrange, schedule and facilitate State staff attendance at project meetings.
- Submit EASA, ISR forms or create Remedy tickets as required.

## **LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

Testing to be conducted remotely at Contractor Facilities – CDT and TrustedSec Offices as well as remote locations (2603 Treyburne LN SE, Owens Cross Roads, AL 35763)

## **EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.

Test Team will be permitted to test both during and outside of core business hours.

No overtime will be authorized or paid.

The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

This purchase order is a release from Contract Number 071B6600012. This purchase order, statement of work, and the terms and conditions of Contract Number 071B6600012 constitute the entire agreement between the State and the Contractor.

## APPENDIX A

### VAS Project Cost Table by Resource

Staffing Category	Total Hours	Fixed Hourly Rate	Total Cost
Account Manager	13	\$124.78	\$1,622.14
SME Security Technician With Greater Than 10 Years of Information Security Vulnerability Assessment-Related Experience	25	\$144.41	\$3,610.25
Sr. Security Technician With Greater Than 7 Years to 10 Years of Information Security – Related Experience	75	\$125.15	\$9,386.25
Mid-Level Security Technician With 3 Years to Less than 7 Years Information Security-Related Experience	25	\$105.52	\$2,638.00
Jr. Security Technician With Less Than 3 Years Information Security-Related Experience	0	\$91.08	
Grand Total Project Cost	138		\$17,256.64

APPENDIX B

VAS Project Cost Table Task and Resource Breakout

Task		Hours by LCAT						Totals by Task	
		Acct Manager	SME	SR Sec Tech	Mid Sec Tech	Jr Sec Tech		Hours by Task	Total Task Cost
LCAT Rate		\$124.78	\$144.41	\$125.15	\$105.52	\$91.08			
External Penetration Testing									
Internal Penetration Testing		13	25	75	25	0		138	\$17,256.64
Application Penetration Testing									
10% Reserve for Validation Testing									
Total Hours by LCAT		13	25	75	25	0		138	
Total Cost by LCAT		\$1,622.14	\$3,610.25	\$9,386.25	\$2,638.00	0			\$17,256.64



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **8**

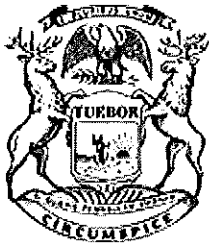
to

Contract Number **071B6600012**

<b>CONTRACTOR</b>	CYBER DEFENSE TECHNOLOGIES LLC
	1818 Library Street , Suite 500
	Reston, VA 20190
	William Kimble
	703-967-4767
	william.kimble@cyberdefensetechnologies.com
	CV0011984

<b>STATE</b>	<b>Program Manager</b>	Richard Reasner	MULTI
		517-241-4090	
		reasnerr@michigan.gov	
	<b>Contract Administrator</b>	Jordan Sherlock	DTMB
		sherlockj@michigan.gov	

CONTRACT SUMMARY				
VULNERABILITY ASSESSMENT SERVICES				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
November 17, 2015	November 17, 2020	2 - 1 Year	November 17, 2020	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	12 months	<input type="checkbox"/>		November 17, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,823,741.67	\$0.00	\$2,823,741.67		
DESCRIPTION				
Effective with mutual signature the contract is amended to exercise a 1 year option. No funding is required at this time. All other terms and conditions remain the same.				



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
Department of Technology, Management, and Budget  
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number 7  
to  
Contract Number 071B6600012

<b>CONTRACTOR</b>	CYBER DEFENSE TECHNOLOGIES LLC
	1818 Library Street , Suite 500
	Reston, VA 20190
	William Kimble
	703-967-4767
	william.kimble@cyberdefensetechnologies.com
	CV0011984

<b>STATE</b>	Program Manager	Richard Reasner	MULTI
		517-241-4090	
	Contract Administrator	reasnerr@michigan.gov	
		Garrick Paraskevin	DTMB
		(517) 284-6993	
		paraskeving@michigan.gov	

CONTRACT SUMMARY							
VULNERABILITY ASSESSMENT SERVICES							
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE			
November 17, 2015	November 17, 2020	2 - 1 Year		November 17, 2020			
PAYMENT TERMS		DELIVERY TIMEFRAME					
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING			
<input type="checkbox"/> P-Card	<input type="checkbox"/> PRC	<input type="checkbox"/> Other		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
MINIMUM DELIVERY REQUIREMENTS							
DESCRIPTION OF CHANGE NOTICE							
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE			
<input type="checkbox"/>		<input type="checkbox"/>		November 17, 2020			
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE					
\$2,734,099.69	\$89,641.98	\$2,823,741.67					
DESCRIPTION							
Effective with mutual signature the contract is amended to add funding \$89,641.98 per attached statement of work. All other terms and conditions remain the same.							



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

Project Title: <b>PCI PENT Test 2019-2020</b> Vulnerability Assessment Service's (VAS) Contract No. 071B6600012 – (Enterprise PCI Compliance Project Sub-Project Change Request)	Period of Coverage: <b>January 20 through May 2020</b>
Requesting Department: DTMB CIP MCS / <b>Treasury</b>	Date: <b>December 26, 2019</b>
Agency Project Manager: <b>Treasury: Amy Kelso</b>	Phone: <b>517-636-5372</b>
DTMB Project Manager: <b>Linda Reaves, Project Manager - Agency Services supporting Treasury; MCS -Rich Reasner</b> Ref: <b>Treasury Project FS-115</b>	Phone: <b>517-241-0344/517-241-4090</b>

**SERVICES TO BE PROVIDED AND BACKGROUND:**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with Cyber Defense Technologies, LLC (CDT) to provide the State of Michigan with Vulnerability Assessment services to validate SOM information technology (IT) and environmental security posture on an ongoing bases.

Cyber Defense Technologies, LLC (CDT) and partner TrustedSec will provide different levels of IT security vulnerability assessment services that are defined in the Tasks listed below. The teaming expertise will cover many different IT security vulnerability testing categories or levels as possible.

This Statement of Work (SOW) is a change request SOW for modification to the original contract with Cyber Defense Technologies, # 071B6600012. [The Michigan Department of Treasury and Department of Technology, Management and Budget \(DTMB\) PCI Compliance Project 2019-2020](#) (Project FS-115) wishes to utilize the selected contract services from the tasks listed below and add funding to the original contract in the amount of \$89,641.98.

**PROJECT OBJECTIVE:**

- Eliminate or lesson the number of security threats/gaps
- Lower the risk of network and/or system attacks as security gaps are closed
- Protect CJIS, IRS, PCI, PII, and HIPAA information to the fullest extent possible
- Increase security awareness throughout all SOM agencies by providing security technical expertise to secure their business solutions and operations
- Increase SOM's security posture and protect all SOM assets
- Prevent attack recovery costs and protect SOM reputation

## SCOPE OF WORK:

The CDT Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies
- providing cost estimates and proposed test schedules
- conducting security inspections, scans, penetration testing
- result reporting with remediation/mitigation suggestions
- validation testing after remediation/mitigation actions
- metric reporting of on-going security stature

See the attached CDT Requirements Document for the detailed VAS services being requested by [The Michigan Department of Treasury, Department of Technology, Management and Budget \(DTMB\) PCI Compliance Project 2019-2020 \(FS-115\)](#).

## TASKS:

The full technical scope of VAS contracted services is listed below and the [Michigan Department of Treasury and Michigan Department of Technology, Management and Budget \(DTMB\) PCI Compliance Project 2019-2020](#) will utilize those items highlighted from this listing. All VAS sub-projects may use one or a combination of the following:

- ☐ External Network Vulnerability Penetration Testing
- ☐ Internal Network Vulnerability Penetration Testing
- ☐ Web Application / Database Penetration Testing
- ☐ Internal / External Trusted Cloud Assessments
- ☐ DMZ or Network Architecture Testing / Reviews
- ☐ Wireless Network Penetration Testing
- ☐ Virtual Infrastructure Security Penetration Testing
- ☐ Server Configuration Scanning / Reviews
- ☐ Firewall and Router Configuration Reviews and Testing
- ☐ VPN Configuration Reviews and Testing - \*Specific to In-Scope Workstations
- ☐ Voice over IP Review and Testing
- ☐ Social Engineering Testing
- ☐ Physical Security Inspections and Testing
- ☐ Software Source Code Reviews and Testing
- ☐ Application threat Modeling and Design Reviews
- ☐ Information Security Policy and Procedure Reviews
- ☐ Information Security Risk Assessment Reviews
- ☐ Security Awareness Program Reviews
- ☐ Incident Response Program Reviews

- ☐ Secure SDLC Development Reviews
- ☐ PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79
- ☐ PCI Report on Compliance Assessment or Gap Analysis Reporting
- ☐ HIPAA Scans in accordance with Federal Laws, Regulations, & NIST HIPAA Standards 800-66
- ☐ HIPAA Report on Compliance Assessment or Gap Analysis Reporting
- ☐ CJIS, CMS, IRS Compliance Security Assessments
- ☐ Other assessments to determine compliance with State, Federal Laws, Regulations and
  - Industry Recognized Standards
- ☐ Revalidation Reviews

#### **DELIVERABLES:**

The CDT Contractor will supply the following deliverables as defined in the contract with MCS under this SOW:

- Vulnerability Assessment (VA) Requirements Meetings
- Vulnerability Assessment (VA) Requirements Documents for each sub project
- VA Project Plan for each sub project
- Memorandum of Understanding or Rules of Engagement document for each sub project
- Project Roles & Responsibilities for each sub project
- Cost Estimate for each sub project
- Debrief meetings to review testing /finding results for each sub project
- Plan of Action & Milestones (POAM) for each sub project
- On-Going Metric Report for each sub project
- Project Staffing Structure
- Staffing Resumes / Background checks completed prior to work
- Report Standard Formats
- Practice Issue Management & Logging
- Practice Risk Management & Planning
- Practice Change Management
- Provide Work Activity Reporting (WAR) reports of work done

#### **ACCEPTANCE CRITERIA:**

Deliverables that are documents must:

- Be allowed no less than five (5) business days for review by the State of Michigan.
- Be in electronic format, compatible with the State of Michigan software in accordance with Article 1.302 of original contract.
- Provide a heading indicating document name on each page
- Provide page number and "of pages" on each page.

- Provide an “as of” date.
- Indicate final and not draft status
- Reflect correction of feedback provided by the State, regarding but not limited to, level of detail and clarifications.
- Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager.

The following requirements for final project acceptance apply:

- That all service deliverables defined in this purchase order Statement of Work have been completed and approved in writing by the Agency Manager, POC or DTMB Project Manager.
- That debrief meetings with mitigations have been validated by a follow-up validation test to confirm required mitigations were successful.
- Final acceptance of the named Agency Manager, or designated agency POC on the invoice for Vulnerability Assessment Services provided to the sub-project of The Michigan Department of Treasury, Michigan Department of State, and Department of Technology, Management and Budget (DTMB) PCI accepting all deliverables.

#### **PROJECT CONTROL AND REPORTS:**

- Status updates are made daily during scanning & reviews with primary point of contact onsite with the Contractor
- Monthly meetings to discuss the projects’ work done, work that will be done with MCS Project Managers. Review of updated project plan’s, deliverable status’s, schedules , issue log, risk log and change log will be completed at each meeting as necessary.
- Agency Manager or agency POC will review day to day deliverable items on an ongoing bases during on-site work visits. Performance evaluations will be on-going with status meeting updates and work.
- Milestones and deliverables built into project plan’s.
- Deliverable Quality Assurance monitoring on-going through contract duration.

#### **SPECIFIC DEPARTMENT STANDARDS:**

SOM DTMB technology standards and policies will apply to all work being done under this contract. Links are provided in the original contract in section 1.103 Environment.

#### **Additional Security and Background Check Requirements:**

Contractor must present certification evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC).

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

#### **PAYMENT SCHEDULE:**

Payments will be made on the satisfactory acceptance of deliverables and milestones as defined in the VAS contract which is reflected in this change request SOW.

- Work performed is defined in detail in the attached CDT contractor requirements document with attached project plan and cost estimate for this [Michigan Department of Treasury and Michigan Department of Technology, Management and Budget \(DTMB\) PCI Compliance Project 2019-2020](#).
- All VAS project(s) will be estimated and invoiced using the firm fixed price rate per category of employee or title type as quoted in the original VAS contract.
- Invoices will not be paid for more than this SOW estimated amount.
- Invoices will be paid in a timely matter when the projects' deliverables have been completed and the SOM agency Manager or designated agency POC has approved the invoice.
- The Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Extended purchasing program volume requirements are not included, unless stated otherwise.

**DTMB** will pay the CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project Agency & POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project invoice submitted. Contractor invoices will be returned if a copy of the project requirements document, schedule, cost estimate and approved purchase order are not affixed to the invoice. The invoice will not exceed the approved purchase order amount for services.

All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

**EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

**PROJECT CONTACTS:**

Agency Manager – Amy Kelso  
Department of Treasury  
State of Michigan Operations Center/Secondary Complex  
7285 Parsons Drive  
Dimondale, MI 48821  
517-636-5372  
[kelsoa@michigan.gov](mailto:kelsoa@michigan.gov)

And

Linda Reaves  
DTMB Enterprise Project Management Office  
State of Michigan Operations Center/Secondary Complex  
7285 Parsons Drive  
Dimondale, MI 48821  
517-636-4595  
[reavesl@michigan.gov](mailto:reavesl@michigan.gov)

And

Mark Lawrence (Technical concerns)  
DTMB Technical Liaison

State of Michigan Operations Center/Secondary Complex  
7285 Parsons Drive  
Dimondale, MI 48821  
517-636-0137  
[Lawrencem2@michigan.gov](mailto:Lawrencem2@michigan.gov)

The SPOC for original overall contract:

Richard Reasner  
DTMB CIP -MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-373-3832  
[ReasnerR@michigan.gov](mailto:ReasnerR@michigan.gov)

Or a designee assigned from DTMB CIP - MCS

#### **AGENCY RESPONSIBILITIES:**

##### **Agency Manager- (Agency) and Point of Contact (POC)**

Each SOW will identify an Agency Manager and POC who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Agency Manager and POC will provide the following services:

- Provide and/or coordinate State facility access, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors if external host testing is needed
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverables/milestones
- Review and sign-off of invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Submit SOM Purchase Order requests for sub-project
- Arrange, schedule and facilitate State staff attendance at project meetings.
- Submit EASA, ISR forms or create Remedy tickets as required.

#### **LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

On site requested work locations are located at: 7119 S. Canal Road, Lansing Michigan, 48917

External testing work locations must be identified in the approved SOW. Requested from vendor.

**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.

No overtime will be authorized or paid.

The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

This purchase order is a release from Contract Number 071B6600012. This purchase order, statement of work, and the terms and conditions of Contract Number 071B6600012 constitute the entire agreement between the State and the Contractor.

## APPENDIX A

### VAS Project Cost Table by Resource

Staffing Category	Total Hours	Fixed Hourly Rate	Total Cost
Account Manager	75.9	\$124.78	\$9,470.80
SME Security Technician With Greater Than 10 Years of Information Security Vulnerability Assessment-Related Experience	64.9	\$144.41	\$9,372.21
Sr. Security Technician With Greater Than 7 Years to 10 Years of Information Security – Related Experience	346.5	\$125.15	\$43,364.48
Mid-Level Security Technician With 3 Years to Less than 7 Years Information Security-Related Experience	158.4	\$105.52	\$16,714.37
Jr. Security Technician With Less Than 3 Years Information Security-Related Experience	117.7	\$91.08	\$10,720.12
Grand Total Project Cost	763.4		\$89,641.98

## APPENDIX B

### VAS Project Cost Table Task and Resource Breakout

Task	Hours by LCAT						Totals by Task	
	Acct Manager	SME	SR Sec Tech	Mid Sec Tech	Jr Sec Tech		Hours by Task	Total Task Cost
LCAT Rate	\$124.78	\$144.41	\$125.15	\$105.52	\$91.08			
External Penetration Testing	17	15	79	36	27		174	\$20,432.14
Internal Penetration Testing	39	33	177	81	60		390	\$45,795.42
Application Penetration Testing	13	11	59	27	20		130	\$15,265.14
10% Reserve for Validation Testing	6.9	5.9	31.5	14.4	10.7		69.4	\$8,149.27
Total Hours by LCAT	75.9	64.9	346.5	158.4	117.7		763.4	
Total Cost by LCAT	\$9,470.80	\$9,372.21	\$43,364.48	\$16,714.37	\$10,720.12			\$89,641.98



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
Department of Technology, Management, and Budget  
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **6**

to

Contract Number **071B6600012**

<b>CONTRACTOR</b>	CYBER DEFENSE TECHNOLOGIES LLC
	1818 Library Street , Suite 500
	Reston, VA 20190
	William Kimble
	703-967-4767
	william.kimble@cyberdefensetechnologies.com
	CV0011984

<b>STATE</b>	<b>Program Manager</b>	Richard Reasner	MULTI
		517-241-4090	
		reasnerr@michigan.gov	
	<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
		(517) 256-7516	
		paraskeving@michigan.gov	

CONTRACT SUMMARY					
VULNERABILITY ASSESSMENT SERVICES					
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE		
November 17, 2015	November 17, 2020	2 - 1 Year	November 17, 2020		
PAYMENT TERMS		DELIVERY TIMEFRAME			
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING		
<input type="checkbox"/> P-Card	<input type="checkbox"/> PRC	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
MINIMUM DELIVERY REQUIREMENTS					
DESCRIPTION OF CHANGE NOTICE					
OPTION	LENGTH OF OPTION	EXTENSION	REVISD EXP. DATE		
<input type="checkbox"/>		<input type="checkbox"/>	November 17, 2020		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE			
\$2,734,099.69	\$49,271.13	\$2,783,370.82			
DESCRIPTION					
Effective 9/12/2019, this Contract is increased by \$49,271.13 for MDOC to have penetration testing performed by the vendor per the attached Statement of Work.					
All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval, and Administrative Board approval on 9/12/2019.					



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK FOR IT CHANGE NOTICES**

<b>Project Title:</b> MSI ERP Replacement Project	<b>Period of Coverage:</b> 09/09/2019 to 12/31/2019
<b>Requesting Department:</b> MDOC - Michigan State Industries	<b>Date:</b> 09/09/2019
<b>Agency Project Manager:</b> Chris Kamrada	<b>Phone:</b> 517-335-2098
<b>DTMB Project Manager:</b> Paul Gustafson	<b>Phone:</b> 517-282-5628

**Brief Description of Services to be provided:**

**BACKGROUND:**

Michigan State Industries (MSI) is a Department of Corrections division which provides inmate workers with real-life employment experiences so that they are better equipped upon parole to obtain and retain employment in the community. Employment Experience is one of the prime factors in successful reintegration and vastly reduces the likelihood of recidivism. MSI operates 12 facilities along with a central office and manufactures hundreds of products. MSI sells goods to the following markets: State and Federal government agencies and their subsidiaries, Cities, Counties and Local Municipalities, and Non-Profits (501c3).

MSI is required to comply with all Generally Accepted Accounting Principles (GAAP) while operating in a quasi-government accounting environment, thus necessitating the utilization of an industry-wide ERP system to do all appropriate accounting for all factories and central administration. MSI needs an innovative, dependable, well-maintained, and strongly supported right-fit ERP to support its manufacturing operation across all its facilities.

**PROJECT OBJECTIVE:**

The MSI ERP Software Replacement Project has the following strategic objectives to achieve as a result of selecting and fully implementing the Global Shop Solutions ERP system:

- To ensure financial reporting is consistent with Generally Accepted Accounting Principles.
- To obtain a vendor solution which eliminates dependency on SOM IT Agency support systems and personnel.
- To configure organizational (operations and financials) structure into a single database software platform. (No multi-site software log-ins per facility)
- To allow for work force interaction and skill development with the system to support technology experience.
- To obtain accurate and detailed costing of business activities where applicable.
- Material (raw, WIP, & FG), labor (direct & in-direct), overhead (fixed & variable)

**SCOPE OF WORK:**

CDT intends to only access networks and information regarding the security assessment requested by the State of Michigan. The scope of this engagement is to test the following SOM Michigan Department of Corrections (MDOC) internal systems related to the Global Shop Solutions environment supporting the prisons:

- MDOC GSS Endpoints (Penetration Testing)
  - o Sandbox testing on endpoint devices. CDT will be provided the same level of access a prisoner would have and attempt to break out of the restricted role or gain any level of access not specifically afforded to the prisoner role.
    - 2 scanner devices and 1 workstation Operating System

- MDOC GSS Application (Penetration Testing)
  - o CDT will perform dynamic penetration testing of the application and attempt to gain unauthorized access to resources and data. Further, CDT will test the applicable roles designed within the application and attempt to gain permissions or access to data that is not intended – specifically from any prisoner type roles.
    - Dynamic application testing of the GSS application and role testing of a single prisoner role
- MDOC GSS Infrastructure and Wireless (Penetration Testing)
  - o Test the various network and network access restrictions put in place. CDT will be placed on the same restricted network segment as a thin client or other endpoint and attempt to access network resources or locations (including internet) that are not intended. This will include attempting to exploit or otherwise compromise any resources that may be accessed via the restricted network segment. Additionally, CDT will test the wireless system that supports the various endpoints. CDT will attempt to break into the wireless network as well as attempt to manipulate already connected wireless devices to connect to something other than the intended wireless network.

#### Additional Supporting Scope:

- Design Review
  - o CDT will meet with system developers to fully understand the intent of the system and the intended levels of access to data and resources authorized to the various roles. CDT will review the design to ensure the system's business logic is valid. This information will feed into the penetration testing efforts to focus on gaining unauthorized access to data or resources.
- Network Device Configuration Review (Configuration Review)
  - o CDT understands the system is not yet fully deployed and cannot test every network device intended to service the various Prisons. CDT will therefore perform a full review of the switch/router/firewall device configuration that will be servicing the endpoint network segments to further ensure a breakout is not possible.

#### **TASKS:**

Technical support is required to assist with the following tasks:

- Testing of Endpoints
- Testing of Infrastructure and Wireless environment
- Testing of the Global Shop Solutions application environment

#### **DELIVERABLES:**

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them. Deliverables for this project include:

- Kickoff Meeting
- Endpoint Penetration Testing
- Global Shop Application Penetration Testing
- Infrastructure & Wireless Penetration Testing
- Analysis and Reporting of Findings

#### **ACCEPTANCE CRITERIA:**

- Analysis and Reporting of Findings

#### **PROJECT CONTROL AND REPORTS:**

A bi-weekly progress report must be submitted to the Agency and DTMB Project Managers throughout the life of this project. This report may be submitted with the billing invoice. Each bi-weekly progress report must contain the following:

1. **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.

2. **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
3. **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

**SPECIFIC DEPARTMENT STANDARDS:**

DTMB standards.

**PAYMENT SCHEDULE:**

Payment will be made per the terms of the existing contract with Cyber Defense Technologies. DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

Payment shall be considered timely if made by DTMB within forty-five (45) days after receipt of properly completed invoices.

**EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

**PROJECT CONTACTS:**

The designated Agency Project Manager is:

Name: Christopher Kamrada  
Department: MDOC – Michigan State Industries  
Area  
Building/Floor: Grand View Plaza, 5<sup>th</sup> Floor  
Address: 206 E. Michigan Ave  
City/State/Zip: Lansing, MI 48933  
Phone Number: 517-335-2098  
Fax Number  
Email Address: Kamradac@michigan.gov

The designated DTMB Project Manager is:

Name: Paul Gustafson  
Department: DTMB Agency Services for MDOC  
Area  
Building/Floor: 1<sup>st</sup> Floor  
Address: 4125 W. St. Joe  
City/State/Zip: Lansing, MI 48917  
Phone Number: 517-282-5628  
Fax Number  
Email Address: gustafsonp@michigan.gov

**LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

Consultants will work at 4125 W. St. Joe Lansing, MI 48917

**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing.

No overtime will be permitted.

This purchase order is a release from Contract Number \_\_\_\_\_. This purchase order, statement of work, and the terms and conditions of Contract Number \_\_\_\_\_ constitute the entire agreement between the State and the Contractor.

**PROJECT PLAN: (examples listed in table below)**

Tasks & Deliverables	Requirements	Anticipated Start Date	Anticipated Completion Date	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
Milestone 1 Kickoff	Rules of Engagement	09/09/2019	09/09/2019	Acct. Mgr, SME, Sr. Sec Tech, Mid Sec Tech, Jr. Sec Tec				State PM & Project Sponsor	\$0.00
Milestone 2 Initiation & Planning	Project Plan Schedule	09/09/2019	09/13/2019	Acct. Mgr, SME, Sr. Sec Tech, Mid Sec Tech, Jr. Sec Tec				State PM & Project Sponsor	\$0.00
Milestone 3 Endpoint Penetration Testing	Completion of Endpoint Penetration Testing	09/16/2019	09/27/2019	Acct. Mgr, SME, Sr. Sec Tech, Mid Sec Tech, Jr. Sec Tec	135		\$16,853.47	State PM & Project Sponsor	\$16,853.47
Milestone 4 GSS Application Testing	Completion of Global Shop Application and Role Testing	09/30/2019	10/11/2019	Acct. Mgr, SME, Sr. Sec Tech, Mid Sec Tech, Jr. Sec Tec	117		\$14,598.17	State PM & Project Sponsor	\$14,598.17
Milestone 5 Infrastructure & Wireless Penetration Testing	Completion of Infrastructure and Wireless Penetration Testing	10/14/2019	10/18/2019	Acct. Mgr, SME, Sr. Sec Tech, Mid Sec Tech, Jr. Sec Tec	143		\$17,819.49	State PM & Project Sponsor	\$17,819.49
Milestone 6 Analysis and Reporting	Analysis of findings and production and release of detailed findings	10/21/2019	11/01/2019	Acct. Mgr, SME, Sr. Sec Tech, Mid Sec Tech, Jr. Sec Tec				State PM & Project Sponsor	\$0.00
<b>TOTAL</b>					<b>395</b>				<b>\$49,271.13</b>



# STATE OF MICHIGAN CENTRAL PROCUREMENT SERVICES

Department of Technology, Management, and Budget

525 W. ALLEGAN ST., LANSING, MICHIGAN 48913

P.O. BOX 30026 LANSING, MICHIGAN 48909

## CONTRACT CHANGE NOTICE

Change Notice Number **5**

to

Contract Number **071B6600012**

<b>CONTRACTOR</b>	CYBER DEFENSE TECHNOLOGIES LLC
	1818 Library Street , Suite 500
	Reston, VA 20190
	William Kimble
	703-967-4767
	william.kimble@cyberdefensetechnologies.com
	CV0011984

<b>STATE</b>	<b>Program Manager</b>	Richard Reasner	MULTI
		517-241-4090	
		reasnerr@michigan.gov	
	<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
		(517) 284-6993	
		paraskeving@michigan.gov	

### CONTRACT SUMMARY

#### VULNERABILITY ASSESSMENT SERVICES

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
November 17, 2015	November 17, 2020	2 - 1 Year	November 17, 2020
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card	<input type="checkbox"/> PRC	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

#### MINIMUM DELIVERY REQUIREMENTS

### DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		November 17, 2020
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,674,754.78	\$59,344.91	\$2,734,099.69		

### DESCRIPTION

Effective 8/12/2019, this Contract is increased by \$59,344.91 for MDOC to have penetration testing performed by the vendor per the attached Statement of Work.

All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval.



W W W . C Y B E R D E F E N S E T E C H N O L O G I E S . C O M

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## **RULES OF ENGAGEMENT**

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## 1. Introduction

### 1.1. Purpose

The purpose of this document is to establish rules of engagement between the State of Michigan (SOM) and Cyber Defense Technologies (CDT). A security assessment is inherently designed to diagnose various security vulnerabilities in an organizations network and information systems. During the period of testing, CDT engineers will require or gain access to certain enclaves, systems, and networks required for the purpose of the security assessment. This document is to establish the guiding principles, boundaries, and conditions of testing will be between CDT and the company being assessed.

### 1.2. Scope

CDT intends to only access networks and information regarding the security assessment requested by the State of Michigan. The scope of this engagement is to test the following SOM Michigan Department of Corrections (MDOC) internal systems related to the CITRIX Prisoner Programs Information Network (PPIN) upgraded to NGDI Citrix environment supporting prisoner education:

- MDOC CITRIX Thin Client Build (Penetration Testing)
  - Sandbox testing on the final environment that will be provisioned for PPIN and made available to prisoners. CDT will be provided the same level of access a prisoner would have and attempt to break out of the restricted role or gain any level of access not specifically afforded to the prisoner role.
  - Three MDOC thin clients will be provided that will represent the three different builds available to prisoners
    - Electronic Law Library (ELL)
    - General Education Degree (GED) Testing
    - Other applications
- MDOC Citrix Environment Networks (Penetration Testing)
  - Test the various network and network access restrictions put in place. CDT will be placed on the same restricted network segment as a thin client and attempt to access network resources or locations (including internet) that are not intended. This will include attempting to exploit or otherwise

compromise any resources that may be accessed via the restricted network segment.

- MDOC Citrix Environment Infrastructure (Penetration Testing)
  - Internal Penetration test of the actual server hosting environment and related resources (i.e. DHCP, DNS, AD, Citrix resources, etc.).

### ***Additional Supporting Scope:***

- Design Review
  - CDT will meet with system architect(s) to fully understand the intent of the system and the intended levels of access to data and resources authorized to the various roles. CDT will review the design to ensure the system's business logic is valid. This information will feed into the penetration testing efforts to focus on gaining unauthorized access to data or resources.
- Network Device Configuration Review (Configuration Review)
  - CDT understands the system is not yet fully deployed and cannot test every network device intended to service the various Prisons. CDT will therefore perform a full review of the switch/router/firewall device configuration that will be servicing the Thin Clients network segments to further ensure a breakout is not possible. (if configuration cannot be provided, engineers can assess the actual configuration while onsite)

### **1.3 Out of Scope**

- Teacher access is not to be tested
- A thin client build for teachers will not be provided

### **1.4. Assumptions and Limitations**

- Actual technical testing will be performed fully onsite.
- Test Team will be provided an appropriate room with system connectivity that can support 5 testers.

- Test Team will only test items identified in boundary established for this test. (Defined in Section 1.2 Scope and Section 3 Target System/Network)
- Documentation and required information will be provided to test team at request in a timely manner to complete the assessment on schedule.
- Testing will be performed from the St Joseph building where there is available access via VLAN.
- Access to the final environment with all configured software and applications, that will be deployed to the thin clients so sandbox testing may occur. Testing should occur with the same level of access a prisoner would have.
- Network access to the PPIN Citrix environment to test it as a prisoner.
- Access to appropriate personnel to discuss system design (during normal business hours 8:00 am EDT to 5:00 EDT).
- MDOC performs regular backups of systems and data.
- Three thin clients will be available with appropriate prisoner builds for use.

### 1.5. Risks

Inherent risks exist when conducting information security tests - particularly in the case of intrusive tests. This section identifies expected risks during this assessment.

- Access to sensitive data.
  - Mitigated by non-discloser agreement (NDA).
- Reduced operations/bandwidth/processing of system being tested.
  - Mitigated by conducting targeted and throttled scanning in support of testing as well as not executing exploits that would reasonably be expected to result in Denial of Service condition. CDT will alert SOM about the assessment prior to any degradation of services.
  - The only possible production resources in use during this test are DHCP and AD servers.
- Other adverse effect on network/infrastructure.
  - In the unlikely event of an adverse effect on the underlying network, operating system, application or hardware, the CDT Evaluators shall adhere to a strict protocol to minimize the effect.
  - All company contacts are notified of the scheduled testing event. Any indication of an adverse effect will be immediately reported to SOM management.

- In the unlikely event of an adverse effect the testing will be immediately halted.

## **1.6 Continuation and Termination of Testing Activities**

Should the test team succeed at penetrating a system to the level that commands can be executed on it, the POC will be notified and evaluation of the that specific penetrated system will be suspended until approval has been granted by the POC or designated personnel to continue.

At any point during the testing, the POC or designated personnel can command a pause or termination of the test. Should the tests be terminated, the test team will document the rationale given by the POC for the termination including a description of the potential adverse consequences that might have occurred were the test to be continued.

## **2. Logistics**

### **2.1. Project POCs**

Prior to the start of testing, SOM will designate a point of contact (POC). This individual will be the primary interface between the test teams and the operational staff. Alternative POCs may be designated as well. At least one POC should be available to the assessment team during all testing periods and alternative numbers provided as necessary.

#### Cyber Defense Technologies Project POC:

Lisa Starkweather – Project Manager  
571-999-3293  
[lisa.starkweather@cyberdefensetechnologies.com](mailto:lisa.starkweather@cyberdefensetechnologies.com)

James Wright – Project Manager  
703-945-6100  
[James.wright@cyberdefensetechnologies.com](mailto:James.wright@cyberdefensetechnologies.com)

Steve Lackey – Technical Lead  
571-436-7102  
[Steve.Lackey@cyberdefensetechnologies.com](mailto:Steve.Lackey@cyberdefensetechnologies.com)

State of Michigan POC:

- *Richard Reasner, MCS Director*  
517-241-4090  
[reasnerr@michigan.gov](mailto:reasnerr@michigan.gov)
- *Rajeev Ranjan, MCS VAS Project Manager*  
517-335-5873  
[RanjanR1@michigan.gov](mailto:RanjanR1@michigan.gov)
- *Jamie Carnell, EPMO Project Manager*  
[carnellj@michigan.gov](mailto:carnellj@michigan.gov)

2.2. Test Schedule (estimated – subject to change)

<b>Schedule</b>		
<b>PO Awarded</b>	<b>7/26/19</b>	
<b>Project Kickoff</b>	<b>8/5/19</b>	<b>8/5/19</b>
<b>Project Initiation and Access Setup</b>	<b>8/12/19</b>	<b>8/16/19</b>
<b>Design Review</b>	<b>8/19/19</b>	<b>8/23/19</b>
<b>Thin Client Windows Build Penetration Test – Sandbox test</b>	<b>8/26/19</b>	<b>8/30/19</b>
<b>Restricted Network Segment Penetration Test</b>	<b>8/26/19</b>	<b>8/30/19</b>
<b>Infrastructure Test &amp; review</b>	<b>8/26/19</b>	<b>8/30/19</b>
<b>Analysis and Reporting</b>	<b>9/2/19</b>	<b>9/13/19</b>
<b>Draft Report Due</b>	<b>9/16/19</b>	

### 2.3. Test Site

State of Michigan office at 4125 W St Joseph Hwy, Lansing MI 48917

### 3. Target System/Network

*Identifies the systems and/or networks to be tested throughout the information security testing process. Information should include authorized and unauthorized IP addresses or other distinguishing identifiers, if appropriate, for the systems (servers, workstations, firewalls, routers, etc.), operating systems, and any applications to be tested. It is also crucial to identify any system not authorized for testing—this is referred to as the “exclude list.”*

### 4. Document Approvals

REMOVED



**Cyber Defense Technologies**

In Reference to State of Michigan Work Order:  
Task 19-002 – MDOC VDI Penetration Test

**COST TABLE**
**Task 19-002 – MDOC VDI Penetration Test – Fully Onsite Testing Option**

<b>Staffing Category</b>	<b>Total Hours</b>	<b>Hourly Rate</b>	<b>Total Cost</b>
Account Manager	36	\$124.78	\$4,492.08
SME Security Technician With Greater Than 10 Years of Information Security Vulnerability Assessment- Related Experience	166	\$144.41	\$23,972.06
Sr. Security Technician With Greater Than 7 Years to 10 Years of Information Security – Related Experience	171	\$125.15	\$21,400.65
Mid-Level Security Technician With 3 Years to Less than 7 Years Information Security- Related Experience	51	\$105.52	\$5,381.52
Jr. Security Technician With Less Than 3 Years Information Security-Related Experience	45	\$91.08	\$4,098.60
<b>Grand Total Project Cost</b>	<b>469</b>		<b>\$59,344.91</b>

**SEE TASK AND RESOURCE BREAKOUT BELOW:**

## TASK AND RESOURCE BREAKOUT

TASK	Hours by LCAT					Totals by Task	
	Acct Manager	SME	Sr Sec Tech	Mid Sec Tech	Jr Sec Tech	Hours by Task	Total Task Cost
LCAT Rate	\$124.78	\$144.41	\$125.15	\$105.52	\$91.08		
Setup & Design Review	3.0	13.0	14.0	4.0	4.0	38.0	\$4,790.17
Penetration Test (Prisoner Perspective)	25.0	117.0	120.0	36.0	31.0	329.0	\$41,655.67
Infrastructure Test & Review	8.0	36.0	37.0	11.0	10.0	102.0	\$12,899.07
Total Hours by LCAT	36.0	166.0	171.0	51.0	45.0	469.0	
Total Cost by LCAT	\$4,492.08	\$23,972.06	\$21,400.65	\$5,381.52	\$4,098.60		\$59,344.91



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
Department of Technology, Management, and Budget  
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **4**  
to  
Contract Number **071B6600012**

<b>CONTRACTOR</b>	CYBER DEFENSE TECHNOLOGIES LLC
	1818 Library Street , Suite 500
	Reston, VA 20190
	William Kimble
	703-967-4767
	william.kimble@cyberdefensetechnologies.com
	CV0011984

<b>STATE</b>	<b>Program Manager</b>	Richard Reasner	MULTI
		517-241-4090	
		reasnerr@michigan.gov	
	<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
		(517) 284-6993	
		paraskeving@michigan.gov	

CONTRACT SUMMARY							
VULNERABILITY ASSESSMENT SERVICES							
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE			
November 17, 2015	November 17, 2020	2 - 1 Year		November 17, 2020			
PAYMENT TERMS		DELIVERY TIMEFRAME					
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING			
<input type="checkbox"/> P-Card	<input type="checkbox"/> PRC	<input checked="" type="checkbox"/> Other		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
MINIMUM DELIVERY REQUIREMENTS							
DESCRIPTION OF CHANGE NOTICE							
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE			
<input type="checkbox"/>		<input type="checkbox"/>		N/A			
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE					
\$2,583,283.24	\$91,471.54	\$2,674,754.78					
DESCRIPTION							
Effective 4/2/2019, this Contract is increased by \$91,471.54 for MDOS to have penetration testing performed by the vendor per the attached quote.							
All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval.							

**Cyber Defense Technologies**

In Reference to State of Michigan Work Order:

Task 19-001 – PCI Penetration Test

**COST TABLE****Task 19-001 – PCI Penetration Test (with Retest/Validation Reserve)**

Staffing Category	Total Hours	Hourly Rate	Total Cost
Account Manager	77.7	\$124.78	\$9,695.41
SME Security Technician With Greater Than 10 Years of Information Security Vulnerability Assessment- Related Experience	60.9	\$144.41	\$8,794.57
Sr. Security Technician With Greater Than 7 Years to 10 Years of Information Security – Related Experience	347.6	\$125.15	\$43,495.88
Mid-Level Security Technician With 3 Years to Less than 7 Years Information Security- Related Experience	174.3	\$105.52	\$18,392.14
Jr. Security Technician With Less Than 3 Years Information Security-Related Experience	121.8	\$91.08	\$11,093.54
Grand Total Project Cost	782.3		<b>\$91,471.54</b>

**SEE TASK AND RESOURCE BREAKOUT BELOW:**

## TASK AND RESOURCE BREAKOUT (with 5% retest/validation reserve)

TASK	Hours by LCAT					Totals by Task	
	Acct Manager	SME	Sr Sec Tech	Mid Sec Tech	Jr Sec Tech	Hours by Task	Total Task Cost
LCAT Rate	\$124.78	\$144.41	\$125.15	\$105.52	\$91.08		
External Penetration Testing	15.0	11.0	65.0	33.0	23.0	147.0	\$17,171.96
Internal Penetration Testing	36.0	28.0	163.0	81.0	57.0	365.0	\$42,673.69
Application Penetration Testing	11.0	9.0	49.0	25.0	17.0	111.0	\$12,990.98
July Workstation Trip	12.0	10.0	54.0	27.0	19.0	122.0	\$14,279.12
5% Retest / Validation Reserve	3.7	2.9	16.6	8.3	5.8	37.3	\$4,355.79
Total Hours by LCAT	77.7	60.9	347.6	174.3	121.8	782.3	
Total Cost by LCAT	\$9,695.41	\$8,794.57	\$43,495.88	\$18,392.14	\$11,093.54		<b>\$91,471.54</b>



**STATE OF MICHIGAN**  
**ENTERPRISE PROCUREMENT**  
Department of Technology, Management, and Budget  
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **3**

to

Contract Number **071B6600012**

<b>CONTRACTOR</b>	Cyber Defense Technologies, LCC
	1818 Library Street
	Reston, VA 20190
	William Kimble
	703-967-4767
	william.kimble@cyberdefensetechnologies.com
	*****1369

<b>STATE</b>	<b>Program Manager</b>	Richard Reasner	DTMB-IT
		517-241-4090	
		reasnerr@michigan.gov	
	<b>Contract Administrator</b>	Mike Breen	DTMB
		(517) 284-7002	
		breenm@michigan.gov	

CONTRACT SUMMARY							
VULNERABILITY ASSESSMENT SERVICES							
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW				
November 17, 2015	November 17, 2020	2 - 1 Year	November 17, 2020				
PAYMENT TERMS		DELIVERY TIMEFRAME					
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING				
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
MINIMUM DELIVERY REQUIREMENTS							
DESCRIPTION OF CHANGE NOTICE							
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE			
<input type="checkbox"/>		<input type="checkbox"/>		November 17, 2020			
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE					
\$2,562,377.62	\$20,905.62	\$2,583,283.24					
DESCRIPTION							
Effective upon mutual signature add \$20905.62 to the contract per request of CIP-MCS for vendor examination of application code changes last 6 months . All other terms and conditions remain the same.							



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> Vulnerability Assessment Service's (VAS) Contract No. 071B6600012 – DTMB-CIP/MCS MIWAM Review Project	<b>Period of Coverage:</b> November 17, 2016 – November 17, 2017
<b>Requesting Department:</b> DTMB CIP MCS	<b>Date:</b> March 30, 2017
<b>Agency Project Manager:</b> Richard Reasner / Natalie Lake	<b>Phone:</b> 517-241-4090 / 517-241-0344
<b>DTMB Project Manager:</b> Natalie Lake / Richard Reasner	<b>Phone:</b> 517-241-0344/517-241-4090

**SERVICES TO BE PROVIDED AND BACKGROUND:**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with Cyber Defense Technologies, LLC (CDT) to provide the State of Michigan with Vulnerability Assessment services to validate SOM information technology (IT) and environmental security posture on an ongoing basis.

Cyber Defense Technologies, LLC (CDT) and partner TrustedSec will provide different levels of IT security vulnerability assessment services that are defined in the Tasks listed below. The teaming expertise will cover many different IT security vulnerability testing categories or levels as possible.

This Statement of Work (SOW) is against the original contract with Cyber Defense Technologies, # 071B6600012. DTMB-CIP/MCS wishes to utilize the selected contract services from the high level tasks listed below and detailed CDT requirements document attached, and approves the expenditure of \$20,905.62 from the MCS allocated \$200,000.00 funding budget for the 2017 contract period.

**PROJECT OBJECTIVE:**

- Eliminate or lessen the number of security threats/gaps
- Lower the risk of network and/or system attacks as security gaps are closed
- Protect CJIS, IRS, PCI, PII, and HIPAA information to the fullest extent possible
- Increase security awareness throughout all SOM agencies by providing security technical expertise to secure their business solutions and operations
- Increase SOM's security posture and protect all SOM assets
- Prevent attack recovery costs and protect SOM reputation

**SCOPE OF WORK:**

The CDT Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies

- providing cost estimates and proposed test schedules
- conducting security inspections, scans, penetration testing, and code reviews
- result reporting with remediation/mitigation suggestions
- validation testing after remediation/mitigation actions
- metric reporting of on-going security stature

See the attached CDT Requirements Document for the detailed VAS services being requested by DTMB-CIP/MCS.

#### TASKS:

The full technical scope of VAS contracted services is listed below and the DTMB-CIP/MCS will utilize those items check marked from this listing. All VAS sub-projects may use one or a combination of the following:

- ☐ External Network Vulnerability Penetration Testing
- ☐ Internal Network Vulnerability Penetration Testing
- ✓ ☒ Web Application Review
- ☐ Internal / External Trusted Cloud Assessments
- ☐ DMZ or Network Architecture Testing / Reviews
- ☐ Wireless Network Penetration Testing
- ☐ Virtual Infrastructure Security Penetration Testing
- ☐ Server Configuration Scanning / Reviews
- ☐ Firewall and Router Configuration Reviews and Testing
- ☐ VPN Configuration Reviews and Testing
- ☐ Voice over IP Review and Testing
- ☐ Social Engineering Testing
- ☐ Physical Security Inspections and Testing
- ✓ ☒ Software Code Reviews
- ☐ Application threat Modeling and Design Reviews
- ☐ Information Security Policy and Procedure Reviews
- ✓ ☒ Information Security Risk Assessment Reviews
- ☐ Security Awareness Program Reviews
- ☐ Incident Response Program Reviews
- ☐ Secure SDLC Development Reviews
- ☐ PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79 (If encountered in DMZ testing)
- ☐ PCI Report on Compliance Assessment or Gap Analysis Reporting (If encountered in DMZ testing)
- ☐ HIPAA Scans in accordance with Federal Laws, Regulations, & NIST HIPAA Standards 800-66 (If encountered in DMZ testing)
- ☐ HIPAA Report on Compliance Assessment or Gap Analysis Reporting (If encountered in DMZ testing)
- ☐ CJIS, CMS, IRS Compliance Security Assessments
- ✓ ☒ Other assessments to determine compliance with State, Federal Laws, Regulations and
  - Industry Recognized Standards - NIST
- ☐ Revalidation Reviews

## DELIVERABLES:

The CDT Contractor will supply the following deliverables as defined in the contract with MCS under this SOW:

- Vulnerability Assessment (VA) Requirements Meetings
- Vulnerability Assessment (VA) Requirements Documents for each sub project
- VA Project Plan for each sub project
- Rules of Engagement document for each sub project
- Project Roles & Responsibilities for each sub project
- Cost Estimate for each sub project
- Debrief meetings to review testing /finding results for each sub project
- Plan of Action & Milestones (POAM) for each sub project
- On-Going Metric Report for each sub project
- Project Staffing Structure
- Staffing Resumes / Background checks completed prior to work
- Report Standard Formats
- Practice Issue Management & Logging
- Practice Risk Management & Planning
- Practice Change Management
- Provide Work Activity Reporting (WAR) reports of work done

## ACCEPTANCE CRITERIA:

Deliverables that are documents must:

- Be allowed no less than five (5) business days for review by the State of Michigan.
- Be in electronic format, compatible with the State of Michigan software in accordance with Article 1.302 of original contract.
- Provide a heading indicating document name on each page
- Provide page number and "of pages" on each page.
- Provide an "as of" date.
- Indicate final and not draft status
- Reflect correction of feedback provided by the State, regarding but not limited to, level of detail and clarifications.
- Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager.

The following requirements for final project acceptance apply:

- That all service deliverables defined in this purchase order Statement of Work have been completed and approved in writing by the Agency Manager, POC or DTMB Project Manager.
- That debrief meetings with mitigations have been validated by a follow-up validation test to confirm required mitigations were successful.
- Final acceptance of the named Agency Manager, or designated agency POC on the invoice for Vulnerability Assessment Services provided to the sub-project of DTMB-CIP/MCS accepting all deliverables.

## PROJECT CONTROL AND REPORTS:

- Status updates are made daily during scanning & reviews with primary point of contact onsite

with the Contractor

- Monthly meetings to discuss the projects' work done, work that will be done with MCS Project Managers. Review of updated project plan's, deliverable status's, schedules , issue log, risk log and change log will be completed at each meeting as necessary.
- Agency Manager or agency POC will review day to day deliverable items on an ongoing bases during on-site work visits. Performance evaluations will be on-going with status meeting updates and work.
- Milestones and deliverables built into project plan's.
- Deliverable Quality Assurance monitoring on-going through contract duration.

#### SPECIFIC DEPARTMENT STANDARDS:

SOM DTMB technology standards and policies will apply to all work being done under this contract. Links are provided in the original contract in section 1.103 Environment.

#### Additional Security and Background Check Requirements:

Contractor must present certification evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC).

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

#### PAYMENT SCHEDULE:

Payments will be made on the satisfactory acceptance of deliverables and milestones as defined in the VAS contract which is reflected in this change request SOW.

- Work performed is defined in detail in the attached CDT contractor requirements document with attached project plan and cost estimate for the DTMB-CIP/MCS DMZ External Testing project.
- All VAS project(s) will be estimated and invoiced using the firm fixed price rate per category of employee or title type as quoted in the original VAS contract.
- Invoices will not be paid for more than this SOW estimated amount.
- Invoices will be paid in a timely matter when the projects' deliverables have been completed and the SOM agency Manager or designated agency POC has approved the invoice.
- The Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Extended purchasing program volume requirements are not included, unless stated otherwise.

DTMB will pay the Contractor upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project Agency & POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project invoice submitted. Contractor invoices will be returned if a copy of the project requirements document, schedule, cost estimate and approved purchase order are not affixed to the invoice. The invoice will not exceed the approved purchase order amount for services.

All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

#### EXPENSES:

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

#### PROJECT CONTACTS:

Richard Reasner,  
DTMB-CIP/MCS Director  
515 Westshire Drive  
Lansing, MI 48917  
Phone: 517-241-4090  
Email: ReasnerR@michigan.gov

And

Natalie Lake,  
DTMB-CIP/MCS Project Manager  
515 Westshire Drive  
Lansing, MI 48917  
Phone: 517-241-0344

Email: LakeN3@michigan.gov

The SPOC for original overall contract:

Richard Reasner  
DTMB CIP -MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-373-3832  
ReasnerR@michigan.gov

Or a designee assigned from DTMB CIP - MCS

#### AGENCY RESPONSIBILITIES:

Agency Manager- (Agency) and Point of Contact (POC)

Each SOW will identify a Agency Manager and POC who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Agency Manager and POC will provide the following services:

- Provide and/or coordinate State facility access, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors if external host testing is needed
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverables/milestones
- Review and sign-off of invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Submit SOM Purchase Order requests for sub-project
- Arrange, schedule and facilitate State staff attendance at project meetings.
- Submit EASA, ISR forms or create Remedy tickets as required.

#### LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

On site requested work locations are located at: State of Michigan office locations at the Cadillac Place 3044 West Grand Boulevard Detroit, Michigan also known as the General Motors Building

POC at Detoit will be Nick Crittenden  
313-456-2554  
CrittendenN@michigan.gov

Contractor Facilities – Remote  
Cyber Defense Technologies, LLC  
1818 Library Street, Suite 500  
Reston, VA 20190  
703-967-4767

**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.

No overtime will be authorized or paid.

The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

This purchase order is a release from Contract Number 071B6600012. This purchase order, statement of work, and the terms and conditions of Contract Number 071B6600012 constitute the entire agreement between the State and the Contractor.

**APPENDIX A****Cyber Defense Technologies**

In Reference to State of Michigan Work Order:

Task 17-001 – AG Cyber Assessment

**COST TABLE****Task 17-001 – AG Cyber Assessment**

Staffing Category	Total Hours	Hourly Rate	Total Cost
Account Manager	64	\$124.78	\$7,985.92
SME Security Technician With Greater Than 10 Years of Information Security Vulnerability Assessment- Related Experience	60	\$144.41	\$8,664.60
Sr. Security Technician With Greater Than 7 Years to 10 Years of Information Security – Related Experience	34.0	\$125.15	\$4,255.10
Mid-Level Security Technician With 3 Years to Less than 7 Years Information Security- Related Experience	0	\$105.52	0
Jr. Security Technician With Less Than 3 Years Information Security-Related Experience	0	\$91.08	0
Grand Total Project Cost	158.0		<b>\$20,905.62</b>

**Cyber Defense Technologies**

In Reference to State of Michigan Work Order:

Task 17-001 – AG Cyber Assessment

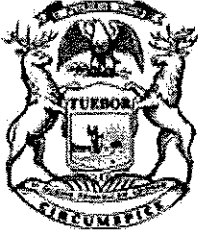
**COST TABLE**
**Task 17-001 – AG Cyber Assessment**

Staffing Category	Total Hours	Hourly Rate	Total Cost
Account Manager	64	\$124.78	\$7,985.92
SME Security Technician With Greater Than 10 Years of Information Security Vulnerability Assessment- Related Experience	60	\$144.41	\$8,664.60
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Mid-Level Security Technician With 3 Years to Less than 7 Years Information Security- Related Experience	0	\$105.52	0
Jr. Security Technician With Less Than 3 Years Information Security-Related Experience	0	\$91.08	0
Grand Total Project Cost	158.0		<b>\$20,905.62</b>

**SEE TASK AND RESOURCE BREAKOUT BELOW:**

## TASK AND RESOURCE BREAKOUT

TASK	Hours by LCAT					Totals by Task	
	Acct Manager	SME	Sr Sec Tech	Mid Sec Tech	Jr Sec Tech	Hours by Task	Total Task Cost
LCAT Rate	\$124.78	\$144.41	\$125.15	\$105.52	\$91.08		
Assessment Engineer 1 (Onsite - 5 days)		40.00				40.0	\$5,776.40
Assessment Engineer 2 (Onsite - 3 days)			24.0			24.0	\$3,003.60
Analysis (Activity and Executive Reporting)		20	10.0			30.0	\$4,139.70
Project Management	64.0					64.0	\$7,985.92
Total Hours by LCAT	64.0	60.00	34.0	0.0	0.0	158.0	
Total Cost by LCAT	\$7,985.92	\$8,664.60	\$4,255.10	\$0.00	\$0.00		<b>\$20,905.62</b>



# STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget

525 W. ALLEGAN ST., LANSING, MICHIGAN 48913

P.O. BOX 30026 LANSING, MICHIGAN 48909

## CONTRACT CHANGE NOTICE

Change Notice Number **2**

to

Contract Number **071B6600012**

<b>CONTRACTOR</b>	Cyber Defense Technologies, LCC
	1818 Library Street
	Reston, VA 20190
	William Kimble
	703-967-4767
	william.kimble@cyberdefensetechnologies.com
	*****1369

<b>STATE</b>	Reasner Richard	DTMB-IT
	517-241-4090	
	reasnerr@michigan.gov	
	Mike Breen	DTMB
	(517) 284-7002	
	breenm@michigan.gov	

### CONTRACT SUMMARY

#### VULNERABILITY ASSESSMENT SERVICES

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
November 17, 2015	November 17, 2020	2 - 1 Year	November 17, 2020

#### PAYMENT TERMS

#### DELIVERY TIMEFRAME

add \$101,245.96 to contract for 11 agency requests  
 DNR \$1380.63 LARA \$8283.78 DIFS \$2761.26 Treasury \$4141.89 MDOS \$63508.77  
 MDE \$1380.63 DEQ \$1380.63 Facilities \$10124.59 MDOT \$2761.26 DHHS \$1380.63  
 MSP \$4141.89

#### ALTERNATE PAYMENT OPTIONS

#### EXTENDED PURCHASING

☐ P-Card

☐ Direct Voucher (DV)

☐ Other

☒ Yes

☐ No

#### MINIMUM DELIVERY REQUIREMENTS

### DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		November 17, 2020
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,562,377.62	\$0.00	\$2,562,377.62		

#### DESCRIPTION

11 Agencies have requested pen testing which is allowed within the scope of the contract. There are 11 SOW's and 11 ITRAc's the initiate the engagement All other terms and conditions remain the same



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> PCI Penetration Test 2016 – 2017 Vulnerability Assessment Service's (VAS) Contract No. 071B6600012 – Enterprise PCI Compliance Project Sub-Project Change Request	<b>Period of Coverage:</b> March 1, 2017 – July 31, 2017
<b>Requesting Department:</b> DTMB CIP MCS / Department of Natural Resources	<b>Date:</b> February 21, 2017
<b>Agency Project Manager:</b>  ( PM: Sue Ann Lipinski, Treas Lead: Amy Kelso, MCS Leads: Jim Wilbur and Denise Simon)	<b>Phone:</b> 517-636-4595/ (517) 331-7510 / (517) 636-5130
<b>DTMB Project Manager:</b> Natalie Lake / Richard Reasner	<b>Phone:</b> 517-241-0344/517-241-4090

**SERVICES TO BE PROVIDED AND BACKGROUND:**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with Cyber Defense Technologies, LLC (CDT) to provide the State of Michigan with Vulnerability Assessment services to validate SOM information technology (IT) and environmental security posture on an ongoing bases.

Cyber Defense Technologies, LLC (CDT) and partner TrustedSec will provide different levels of IT security vulnerability assessment services that are defined in the Tasks listed below. The teaming expertise will cover many different IT security vulnerability testing categories or levels as possible.

This Statement of Work (SOW) is a change request SOW for modification to the original contract with Cyber Defense Technologies, # 071B6600012. The Michigan Department of Natural Resources wishes to utilize the selected contract services from the tasks listed below and add funding to the original contract in the amount of \$1,380.63.

**PROJECT OBJECTIVE:**

- Eliminate or lesson the number of security threats/gaps
- Lower the risk of network and/or system attacks as security gaps are closed
- Protect CJIS, IRS, PCI, PII, and HIPAA information to the fullest extent possible
- Increase security awareness throughout all SOM agencies by providing security technical expertise to secure their business solutions and operations
- Increase SOM's security posture and protect all SOM assets
- Prevent attack recovery costs and protect SOM reputation

**SCOPE OF WORK:**

The CDT Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies
- providing cost estimates and proposed test schedules
- conducting security inspections, scans, penetration testing, and code reviews
- result reporting with remediation/mitigation suggestions
- validation testing after remediation/mitigation actions

- metric reporting of on-going security stature

## TASKS:

The full technical scope of VAS contracted services is listed below. The Michigan Department of Natural Resources will utilize those items check marked from this listing. All VAS sub-projects may use one or a combination of the following:

- XX External Network Vulnerability Penetration Testing
- XX Internal Network Vulnerability Penetration Testing
- ☐ Web Application / Database Penetration Testing
- ☐ Internal / External Trusted Cloud Assessments
- ☐ DMZ or Network Architecture Testing / Reviews
- ☐ Wireless Network Penetration Testing
- ☐ Virtual Infrastructure Security Penetration Testing
- ☐ Server Configuration Scanning / Reviews
- ☐ Firewall and Router Configuration Reviews and Testing
- ☐ VPN Configuration Reviews and Testing
- ☐ Voice over IP Review and Testing
- ☐ Social Engineering Testing
- ☐ Physical Security Inspections and Testing
- ☐ Software Source Code Reviews and Testing
- ☐ Application threat Modeling and Design Reviews
- ☐ Information Security Policy and Procedure Reviews
- ☐ Information Security Risk Assessment Reviews
- ☐ Security Awareness Program Reviews
- ☐ Incident Response Program Reviews
- ☐ Secure SDLC Development Reviews
- XX PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79
- XX PCI Report on Compliance Assessment or Gap Analysis Reporting
- ☐ HIPAA Scans in accordance with Federal Laws, Regulations, & NIST HIPAA Standards 800-66
- ☐ HIPAA Report on Compliance Assessment or Gap Analysis Reporting
- ☐ CJIS, CMS, IRS Compliance Security Assessments
- ☐ Other assessments to determine compliance with State, Federal Laws, Regulations and
  - Industry Recognized Standards
- ☐ Revalidation Reviews

## DELIVERABLES:

The CDT Contractor will supply the following deliverables as defined in the contract with MCS under this SOW:

- Vulnerability Assessment (VA) Requirements Meetings
- Vulnerability Assessment (VA) Requirements Documents for each sub project

- VA Project Plan for each sub project
- Memorandum of Understanding or Rules of Engagement document for each sub project
- Project Roles & Responsibilities for each sub project
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- Report Standard Formats
- Practice Issue Management & Logging
- Practice Risk Management & Planning
- Practice Change Management
- Provide Work Activity Reporting (WAR) reports of work done

#### **ACCEPTANCE CRITERIA:**

Deliverables that are documents must:

- Be allowed no less than five (5) business days for review by the State of Michigan.
  - Be in electronic format, compatible with the State of Michigan software in accordance with Article 1.302 of original contract.
  - Provide a heading indicating document name on each page
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  - Provide an "as of" date.
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  - Reflect correction of feedback provided by the State, regarding but not limited to, level of detail and clarifications.
  - Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager.
- The following requirements for final project acceptance apply:
- That all service deliverables defined in this purchase order Statement of Work have been completed and approved in writing by the Agency Manager, POC or DTMB Project Manager.
  - That debrief meetings with mitigations have been validated by a follow-up validation test to confirm required mitigations were successful.
  - Final acceptance of the named Agency Manager, or designated agency POC on the invoice for Vulnerability Assessment Services provided to the sub-project of the Michigan Department of Natural Resources accepting all deliverables.

#### **PROJECT CONTROL AND REPORTS:**

- Status updates are made daily during scanning & reviews with primary point of contact onsite with the Contractor
- Monthly meetings to discuss the projects' work done, work that will be done with MCS Project Managers. Review of updated project plan's, deliverable status's, schedules , issue log, risk log and change log will be completed at each meeting as necessary.
- Agency Manager or agency POC will review day to day deliverable items on an ongoing bases during on-site work visits. Performance evaluations will be on-going with status meeting updates and work.
- Milestones and deliverables built into project plan's.
- Deliverable Quality Assurance monitoring on-going through contract duration.

#### **SPECIFIC DEPARTMENT STANDARDS:**

SOM DTMB technology standards and policies will apply to all work being done under this contract. Links

are provided in the original contract in section 1.103 Environment.

#### **Additional Security and Background Check Requirements:**

Contractor must present certification evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC).

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

#### **PAYMENT SCHEDULE:**

Payments will be made on the satisfactory acceptance of deliverables and milestones as defined in the VAS contract which is reflected in this change request SOW.

- Work performed is defined in detail in the attached CDT contractor requirements document with attached project plan and cost estimate for this Michigan Department of Natural Resources project.
- All VAS project(s) will be estimated and invoiced using the firm fixed price rate per category of employee or title type as quoted in the original VAS contract.
- Invoices will not be paid for more than this SOW estimated amount.
- Invoices will be paid in a timely matter when the projects' deliverables have been completed and the SOM agency Manager or designated agency POC has approved the invoice.
- The Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Extended purchasing program volume requirements are not included, unless stated otherwise.

DTMB will pay the CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project Agency & POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

**The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project**

**invoice submitted. Contractor invoices will be returned if a copy of the project requirements document, schedule, cost estimate and approved purchase order are not affixed to the invoice. The invoice will not exceed the approved purchase order amount for services.**

All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

**EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

**PROJECT CONTACTS:**

Sue Ann Lipinski  
DTMB Enterprise Project Management Office  
Operations Center/Secondary Complex  
Phone: (517) 636-4595  
Email: [LipinskiS@michigan.gov](mailto:LipinskiS@michigan.gov)

And

Jim Wilbur, CISSP, CEH, MCSE  
IT Security Analyst  
515 Westshire Drive  
DTMB - Michigan Cyber Security  
(517) 331-7510  
Email: [WilburJ1@michigan.gov](mailto:WilburJ1@michigan.gov)

And

Denise Simon  
DTMB/Office of Michigan Cyber Security  
Operations Center/Secondary Complex  
Phone: 517-636-5130  
email: [simond@michigan.gov](mailto:simond@michigan.gov)

And

Scott W. Hall  
Audit Compliance Group  
Department of Technology, Management and Budget / Infrastructure and Operations / Enterprise Services  
517.241.4255  
[HALLS9@MICHIGAN.GOV](mailto:HALLS9@MICHIGAN.GOV)

The SPOC for original overall contract:

Richard Reasner  
DTMB CIP -MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-373-3832  
[ReasnerR@michigan.gov](mailto:ReasnerR@michigan.gov)

Or a designee assigned from DTMB CIP - MCS

#### AGENCY RESPONSIBILITIES:

##### **Agency Manager- (Agency) and Point of Contact (POC)**

Each SOW will identify a Agency Manager and POC who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Agency Manager and POC will provide the following services:

- Provide and/or coordinate State facility access, as needed
- Coordinate the State resources necessary for the project
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- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Submit SOM Purchase Order requests for sub-project
- Arrange, schedule and facilitate State staff attendance at project meetings.
- Submit EASA, ISR forms or create Remedy tickets as required.

#### LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

On site requested work locations are located at:

PRIMARY	
Michigan Cyber Security MiSoC	515 Westshire Dr. Lansing MI 48917
POTENTIAL / SECONDARY SITES	
Traverse Bay Hosting Center (TBHC)	Richard H Austin Building, 430 W Allegan St, Lansing, MI
Lake Superior Hosting Center (LSHC)	Secondary Complex – Dept. Of State, 706 Crowner Dr., Dimondale, MI
Co-Location Center	4200 60th Street SE Wyoming, MI 49548
Hannah Bldg.	John Hannah Bldg., 608 W Allegan St., Lansing, MI
Plus Branch Office	8158 Executive Court, Lansing Michigan

External testing work locations must be identified in the approved SOW:

Cyber Defense Technologies, LLC	1818 Library Street, Suite 500 Reston, VA 20190 703-967-4767  James T. Wright, CPT   CEH   CNDA   CICP Principal Security Engineer Vice President / Chief Technical Officer <a href="http://www.CyberDefenseTechnologies.com">www.CyberDefenseTechnologies.com</a> Twitter: @CDTLLC / @TiberiusWright (O) (571) 346-7598 / (C) (703) 945-6100 < <a href="mailto:james.wright@cyberdefensetechnologies.com">james.wright@cyberdefensetechnologies.com</a>
TrustedSec	14780 Pearl Road, Suite 300, Strongsville, OH 44136

**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.

No overtime will be authorized or paid.

The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

This purchase order is a release from Contract Number 071B6600012. This purchase order, statement of work, and the terms and conditions of Contract Number 071B6600012 constitute the entire agreement between the State and the Contractor.

## APPENDIX A

### Cost Per Agency

APPLICATIONS		Costs
DTMB KIOSK - 1 Full Scope Application		\$ 10,124.59
MDOS - 6 Full Scope Applications	\$ 60,747.51	
MDOS - 2 Redirect Applications	\$ 2,761.26	
MDOS Total		\$ 63,508.77
LARA - 6 Redirect Applications		\$ 8,283.78
DIFS - 2 Redirect Applications		\$ 2,761.26
DEQ - 1 Redirect Application		\$ 1,380.63
DRI - 1 Redirect Application		\$ 1,380.63
MDE - 1 Redirect Application		\$ 1,380.63
MDOY - 1 Redirect Application		\$ 2,761.26
MSP - 3 Redirect Applications		\$ 4,141.89
DCN/DHHS - 1 Redirect Application		\$ 1,380.63
Treasury - 3 Redirect Applications		\$ 4,141.89

PCI Compliance Pen Test Cost Estimates and Distribution			
Full Scope Applications		Redirect Applications	
Applications transfer the transaction to CEPAS for card processing. Full Scope Applications and supporting infrastructure are directly tested as part of the PCI Pen Test.		Applications that transfer the transaction to CEPAS for card processing. Supporting infrastructure is tested as part of the PCI Pen Test.	
1	DTMB PARKING KIOSK Full Scope	11	DEQ - MI Waters Redirect
2	MDOS - BAM Full Scope	12	DNR - Michigan e-Store Redirect
3	MDOS-BOS (PCI-MDOS-BOS-2P) Full Scope	13	MDE - Educator License (MOES) Redirect
4	MDOS - Renew By Mail PCI_MDOS_Renew_By_Mail_2P	14	MDOT - MDOT PERMIT GATEWAY REDIRECT
5	MDOS - RPS ARS (Cashier) Full Scope	15	MDOT - MDOT BLIS EXPRESS Redirect
6	MDOS - SST Full Scope	16	MSP - MI STATE POLICE ICHAT REDIRECT
7	MDOS Renew By Web Full Scope	17	MSP - STATE POLICE CRASH RPT (TCPS) REDIRECT
		18	MSP - MI State Police Pmts REDIRECT
		19	DCH/DHHS - MI NEWBORN SCREENING REDIRECT
		20	Treasury - COLLECTIONS E-SERVICE Redirect
		21	Treasury - Michigan Business Tax (SUW/MTD) Redirect
		22	Treasury - Michigan Income Tax (IIT) Redirect
PCI Pen Test w/Comprehensive Retest Full Scope 10% (\$10,124.59) Per Application			
	60% MDOS		
	10% DTMB KIOSK		
	Redirects 0.01363% (\$1380.63) Per Application		
	Cost per Redirect		
		APPLICATIONS	
		DTMB KIOSK - 1 Full Scope Application	\$ 10,124.59
		MDOS - 6 Full Scope Applications	\$ 60,747.51
		MDOS - 2 Redirect Applications	\$ 2,761.26
		MDOS Total	\$ 63,508.77
		LARA - 6 Redirect Applications	\$ 6,283.78
		DIFS - 2 Redirect Applications	\$ 2,761.26
		DEQ - 1 Redirect Application	\$ 1,380.63
		MDE - 1 Redirect Application	\$ 1,380.63
		MSP - 3 Redirect Applications	\$ 4,141.89
		DCH/DHHS - 1 Redirect Application	\$ 1,380.63
		Treasury - 3 Redirect Applications	\$ 8,283.78



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> PCI Penetration Test 2016 – 2017 Vulnerability Assessment Service's (VAS) Contract No. 071B6600012 – Enterprise PCI Compliance Project Sub-Project Change Request	<b>Period of Coverage:</b> March 1, 2017 – August 31, 2017
<b>Requesting Department:</b> DTMB CIP MCS / Department of Treasury and DTMB Michigan Cyber Security	<b>Date:</b> February 21, 2017
<b>Agency Project Manager:</b> ( PM: Sue Ann Lipinski, Treas Lead: Amy Kelos, MCS Leads: Jim Wilbur and Denise Simon)	<b>Phone:</b> 517-636-4595/ (517) 331-7510 / (517) 636-5130
<b>DTMB Project Manager:</b> Natalie Lake / Richard Reasner	<b>Phone:</b> 517-241-0344/517-241-4090

**SERVICES TO BE PROVIDED AND BACKGROUND:**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with Cyber Defense Technologies, LLC (CDT) to provide the State of Michigan with Vulnerability Assessment services to validate SOM information technology (IT) and environmental security posture on an ongoing bases.

Cyber Defense Technologies, LLC (CDT) and partner TrustedSec will provide different levels of IT security vulnerability assessment services that are defined in the Tasks listed below. The teaming expertise will cover many different IT security vulnerability testing categories or levels as possible.

This Statement of Work (SOW) is a change request SOW for modification to the original contract with Cyber Defense Technologies, # 071B6600012. The Michigan Department of Health of Human Services /Department of Community Health, Michigan Department of Education, Michigan Department of Licensing and Regulatory Affairs, Michigan Department of Insurance and Financial Services, Michigan Department of State, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Treasury, Michigan Department of Technology, Management and Budget (DTMB) Parking Lot KIOSK, & The Enterprise PCI Compliance Project 2016 - 2017 wishes to utilize the selected contract services from the tasks listed below and add funding to the original contract in the amount of \$101,245.85.

**PROJECT OBJECTIVE:**

- Eliminate or lessen the number of security threats/gaps
- Lower the risk of network and/or system attacks as security gaps are closed
- Protect CJIS, IRS, PCI, PII, and HIPAA information to the fullest extent possible
- Increase security awareness throughout all SOM agencies by providing security technical expertise to secure their business solutions and operations
- Increase SOM's security posture and protect all SOM assets
- Prevent attack recovery costs and protect SOM reputation

**SCOPE OF WORK:**

The CDT Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies
- providing cost estimates and proposed test schedules
- conducting security inspections, scans, penetration testing, and code reviews
- result reporting with remediation/mitigation suggestions
- validation testing after remediation/mitigation actions
- metric reporting of on-going security stature

See the attached CDT Requirements Document for the detailed VAS services being requested by Michigan Department of Health of Human Services /Department of Community Health, Michigan Department of Education, Michigan Department of Licensing and Regulatory Affairs, Michigan Department of Insurance and Financial Services, Michigan Department of State, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Treasury, Michigan Department of Technology, Management and Budget (DTMB) Parking Lot KIOSK, & The Enterprise PCI Compliance Project 2016 – 2017.

#### TASKS:

The full technical scope of VAS contracted services is listed below and the Michigan Department of Health of Human Services /Department of Community Health, Michigan Department of Education, Michigan Department of Licensing and Regulatory Affairs, Michigan Department of Insurance and Financial Services, Michigan Department of State, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Treasury, Michigan Department of Technology, Management and Budget (DTMB) Parking Lot KIOSK, & The Enterprise PCI Compliance Project 2016 – 2017 will utilize those items check marked from this listing. All VAS sub-projects may use one or a combination of the following:

- ☐ External Network Vulnerability Penetration Testing
- ☐ Internal Network Vulnerability Penetration Testing
- ☐ Web Application / Database Penetration Testing
- ☐ Internal / External Trusted Cloud Assessments
- ☐ DMZ or Network Architecture Testing / Reviews
- ☐ Wireless Network Penetration Testing
- ☐ Virtual Infrastructure Security Penetration Testing
- ☐ Server Configuration Scanning / Reviews
- ☐ Firewall and Router Configuration Reviews and Testing
- ☐ VPN Configuration Reviews and Testing
- ☐ Voice over IP Review and Testing
- ☐ Social Engineering Testing
- ☐ Physical Security Inspections and Testing
- ☐ Software Source Code Reviews and Testing
- ☐ Application threat Modeling and Design Reviews
- ☐ Information Security Policy and Procedure Reviews
- ☐ Information Security Risk Assessment Reviews
- ☐ Security Awareness Program Reviews
- ☐ Incident Response Program Reviews
- ☐ Secure SDLC Development Reviews
- ☐ PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79
- ☐ PCI Report on Compliance Assessment or Gap Analysis Reporting

- ☐ HIPAA Scans in accordance with Federal Laws, Regulations, & NIST HIPAA Standards 800-66
- ☐ HIPAA Report on Compliance Assessment or Gap Analysis Reporting
- ☐ CJIS, CMS, IRS Compliance Security Assessments
- ☐ Other assessments to determine compliance with State, Federal Laws, Regulations and
  - Industry Recognized Standards
- ☐ Revalidation Reviews

#### **DELIVERABLES:**

The CDT Contractor will supply the following deliverables as defined in the contract with MCS under this SOW:

- Vulnerability Assessment (VA) Requirements Meetings
- Vulnerability Assessment (VA) Requirements Documents for each sub project
- VA Project Plan for each sub project
- Memorandum of Understanding or Rules of Engagement document for each sub project
- Project Roles & Responsibilities for each sub project
- Cost Estimate for each sub project
- Debrief meetings to review testing /finding results for each sub project
- Plan of Action & Milestones (POAM) for each sub project
- On-Going Metric Report for each sub project
- Project Staffing Structure
- Staffing Resumes / Background checks completed prior to work
- Report Standard Formats
- Practice Issue Management & Logging
- Practice Risk Management & Planning
- Practice Change Management
- Provide Work Activity Reporting (WAR) reports of work done

#### **ACCEPTANCE CRITERIA:**

Deliverables that are documents must:

- Be allowed no less than five (5) business days for review by the State of Michigan.
  - Be in electronic format, compatible with the State of Michigan software in accordance with Article 1.302 of original contract.
  - Provide a heading indicating document name on each page
  - Provide page number and "of pages" on each page.
  - Provide an "as of" date.
  - Indicate final and not draft status
  - Reflect correction of feedback provided by the State, regarding but not limited to, level of detail and clarifications.
  - Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager.
- The following requirements for final project acceptance apply:
- That all service deliverables defined in this purchase order Statement of Work have been completed and approved in writing by the Agency Manager, POC or DTMB Project Manager.
  - That debrief meetings with mitigations have been validated by a follow-up validation test to confirm required mitigations were successful.
  - Final acceptance of the named Agency Manager, or designated agency POC on the invoice for Vulnerability Assessment Services provided to the sub-project of the Michigan Department of Health of Human Services /Department of Community Health, Michigan Department of

Education, Michigan Department of Licensing and Regulatory Affairs, Michigan Department of Insurance and Financial Services, Michigan Department of State, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Treasury, Michigan Department of Technology, Management and Budget (DTMB) Parking Lot KIOSK, & The Enterprise PCI Compliance Project 2016 - 2017 accepting all deliverables.

#### **PROJECT CONTROL AND REPORTS:**

- Status updates are made daily during scanning & reviews with primary point of contact onsite with the Contractor
- Monthly meetings to discuss the projects' work done, work that will be done with MCS Project Managers. Review of updated project plan's, deliverable status's, schedules, issue log, risk log and change log will be completed at each meeting as necessary.
- Agency Manager or agency POC will review day to day deliverable items on an ongoing basis during on-site work visits. Performance evaluations will be on-going with status meeting updates and work.
- Milestones and deliverables built into project plan's.
- Deliverable Quality Assurance monitoring on-going through contract duration.

#### **SPECIFIC DEPARTMENT STANDARDS:**

SOM DTMB technology standards and policies will apply to all work being done under this contract. Links are provided in the original contract in section 1.103 Environment.

#### **Additional Security and Background Check Requirements:**

Contractor must present certification evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC).

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

#### **PAYMENT SCHEDULE:**

Payments will be made on the satisfactory acceptance of deliverables and milestones as defined in the VAS contract which is reflected in this change request SOW.

- Work performed is defined in detail in the attached CDT contractor requirements document with attached project plan and cost estimate for this the Michigan Department of Health of Human Services /Department of Community Health, Michigan Department of Education, Michigan Department of Licensing and Regulatory Affairs, Michigan Department of Insurance and Financial Services, Michigan Department of State, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Treasury, Michigan Department of Technology, Management and Budget (DTMB) Parking Lot KIOSK, & The Enterprise PCI Compliance Project 2016 – 2017.
- All VAS project(s) will be estimated and invoiced using the firm fixed price rate per category of employee or title type as quoted in the original VAS contract.
- Invoices will not be paid for more than this SOW estimated amount.

- Invoices will be paid in a timely matter when the projects' deliverables have been completed and the SOM agency Manager or designated agency POC has approved the invoice.
- The Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Extended purchasing program volume requirements are not included, unless stated otherwise.

DTMB will pay the CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project Agency & POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

**The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project invoice submitted. Contractor invoices will be returned if a copy of the project requirements document, schedule, cost estimate and approved purchase order are not affixed to the invoice. The invoice will not exceed the approved purchase order amount for services.**

All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

#### **EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

#### **PROJECT CONTACTS:**

Sue Ann Lipinski  
DTMB Enterprise Project Management Office

Operations Center/Secondary Complex  
Phone: (517) 636-4595  
Email: [LipinskiS@michigan.gov](mailto:LipinskiS@michigan.gov)

And

Jim Wilbur, CISSP, CEH, MCSE  
IT Security Analyst  
515 Westshire Drive  
DTMB - Michigan Cyber Security  
(517) 331-7510  
Email: [WilburJ1@michigan.gov](mailto:WilburJ1@michigan.gov)

And

Denise Simon  
DTMB/Office of Michigan Cyber Security  
Operations Center/Secondary Complex  
Phone: 517-636-5130  
email: [simond@michigan.gov](mailto:simond@michigan.gov)

And

Scott W. Hall  
Audit Compliance Group  
Department of Technology, Management and Budget / Infrastructure and Operations / Enterprise Services  
517.241.4255  
[HALLS9@MICHIGAN.GOV](mailto:HALLS9@MICHIGAN.GOV)

The SPOC for original overall contract:

Richard Reasner  
DTMB CIP -MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-373-3832  
[ReasnerR@michigan.gov](mailto:ReasnerR@michigan.gov)

Or a designee assigned from DTMB CIP - MCS

#### **AGENCY RESPONSIBILITIES:**

##### **Agency Manager- (Agency) and Point of Contact (POC)**

Each SOW will identify a Agency Manager and POC who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Agency Manager and POC will provide the following services:

- Provide and/or coordinate State facility access, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors if external host testing is needed
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverables/milestones

- Review and sign-off of invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Submit SOM Purchase Order requests for sub-project
- Arrange, schedule and facilitate State staff attendance at project meetings.
- Submit EASA, ISR forms or create Remedy tickets as required.

#### LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

On site requested work locations are located at:

<b>PRIMARY</b>	
Michigan Cyber Security MiSoC	515 Westshire Dr. Lansing MI 48917
<b>POTENTIAL / SECONDARY SITES</b>	
Traverse Bay Hosting Center (TBHC)	Richard H Austin Building, 430 W Allegan St, Lansing, MI
Lake Superior Hosting Center (LSHC)	Secondary Complex – Dept. Of State, 706 Crowner Dr., Dimondale, MI
Co-Location Center	4200 60th Street SE Wyoming, MI 49548
Hannah Bldg.	John Hannah Bldg., 608 W Allegan St., Lansing, MI
Plus Branch Office	8158 Executive Court, Lansing Michigan

#### External testing work locations must be identified in the approved SOW:

Cyber Defense Technologies, LLC	1818 Library Street, Suite 500 Reston, VA 20190 703-967-4767  James T. Wright, CPT   CEH   CNDA   CICP Principal Security Engineer Vice President / Chief Technical Officer <a href="http://www.CyberDefenseTechnologies.com">www.CyberDefenseTechnologies.com</a> Twitter: @CDTLLC / @TiberiusWright (O) (571) 346-7598 / (C) (703) 945-6100 <a href="mailto:james.wright@cyberdefensetechnologies.com">&lt;james.wright@cyberdefensetechnologies.com</a>
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TrustedSec	14780 Pearl Road, Suite 300, Strongsville, OH 44136
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**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.

No overtime will be authorized or paid.

The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

This purchase order is a release from Contract Number 071B6600012. This purchase order, statement of work, and the terms and conditions of Contract Number 071B6600012 constitute the entire agreement between the State and the Contractor.

## APPENDIX A

### VAS Project Cost Table

#### Task 16-008 – PCI Penetration Test (without A-EP servers)

Note: Project Includes Retests

Staffing Category	Total Hours	Hourly Rate	Total Cost
Account Manager	78	\$124.78	\$9,732.84
SME Security Technician With Greater Than 10 Years of Information Security Vulnerability Assessment-Related Experience	28	\$144.41	\$4,043.48
Sr. Security Technician With Greater Than 7 Years to 10 Years of Information Security – Related Experience	495	\$125.15	\$61,949.25
Mid-Level Security Technician With 3 Years to Less than 7 Years Information Security-Related Experience	222	\$105.52	\$23,425.44
Jr. Security Technician With Less Than 3 Years Information Security-Related Experience	23	\$91.08	\$2,094.84
Grand Total Project Cost	846		<b>\$101,245.85</b>

SEE TASK AND RESOURCE BREAKOUT BELOW:

## TASK AND RESOURCE BREAKOUT

TASK	Hours by LCAT					Totals by Task	
	Acct Manager	SME	Sr Sec Tech	Mid Sec Tech	Jr Sec Tech	Hours by Task	Total Task Cost
LCAT Rate	\$124.78	\$144.41	\$125.15	\$105.52	\$91.08		
External Penetration Testing	14.0	0.0	81.0	35.0	23.0	153.0	\$17,672.11
Internal Penetration Testing	37.0	0.0	253.0	112.0	0.0	402.0	\$48,098.05
Application Penetration Testing	27.0	28.0	161.0	75.0	0.0	291.0	\$35,475.69
Total Hours by LCAT	78.0	28.0	495.0	222.0	23.0	846.0	
Total Cost by LCAT	\$9,732.84	\$4,043.48	\$61,949.25	\$23,425.44	\$2,094.84		<b>\$101,245.85</b>



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> PCI Penetration Test 2016 – 2017 Vulnerability Assessment Service's (VAS) Contract No. 071B6600012 – Enterprise PCI Compliance Project Sub-Project Change Request	<b>Period of Coverage:</b> March 1, 2017 – July 31, 2017
<b>Requesting Department:</b> DTMB CIP MCS / Michigan Department of Insurance and Financial Services	<b>Date:</b> February 21, 2017
<b>Agency Project Manager:</b>  ( PM: Sue Ann Lipinski, Treas Lead: Amy Kelso, MCS Leads: Jim Wilbur and Denise Simon)	<b>Phone:</b> 517-636-4595/ (517) 331-7510 / (517) 636-5130
<b>DTMB Project Manager:</b> Natalie Lake / Richard Reasner	<b>Phone:</b> 517-241-0344/517-241-4090

**SERVICES TO BE PROVIDED AND BACKGROUND:**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with Cyber Defense Technologies, LLC (CDT) to provide the State of Michigan with Vulnerability Assessment services to validate SOM information technology (IT) and environmental security posture on an ongoing bases.

Cyber Defense Technologies, LLC (CDT) and partner TrustedSec will provide different levels of IT security vulnerability assessment services that are defined in the Tasks listed below. The teaming expertise will cover many different IT security vulnerability testing categories or levels as possible.

This Statement of Work (SOW) is a change request SOW for modification to the original contract with Cyber Defense Technologies, # 071B6600012. The Michigan Department of Insurance and Financial Services wishes to utilize the selected contract services from the tasks listed below and add funding to the original contract in the amount of \$2761.26.

**PROJECT OBJECTIVE:**

- Eliminate or lesson the number of security threats/gaps
- Lower the risk of network and/or system attacks as security gaps are closed
- Protect CJIS, IRS, PCI, PII, and HIPAA information to the fullest extent possible
- Increase security awareness throughout all SOM agencies by providing security technical expertise to secure their business solutions and operations
- Increase SOM's security posture and protect all SOM assets
- Prevent attack recovery costs and protect SOM reputation

**SCOPE OF WORK:**

The CDT Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies
- providing cost estimates and proposed test schedules
- conducting security inspections, scans, penetration testing, and code reviews
- result reporting with remediation/mitigation suggestions
- validation testing after remediation/mitigation actions

- metric reporting of on-going security stature

## TASKS:

The full technical scope of VAS contracted services is listed below. The Michigan Department of Insurance and Financial Services will utilize those items check marked from this listing. All VAS sub-projects may use one or a combination of the following:

- XX External Network Vulnerability Penetration Testing
- XX Internal Network Vulnerability Penetration Testing
- ☐ Web Application / Database Penetration Testing
- ☐ Internal / External Trusted Cloud Assessments
- ☐ DMZ or Network Architecture Testing / Reviews
- ☐ Wireless Network Penetration Testing
- ☐ Virtual Infrastructure Security Penetration Testing
- ☐ Server Configuration Scanning / Reviews
- ☐ Firewall and Router Configuration Reviews and Testing
- ☐ VPN Configuration Reviews and Testing
- ☐ Voice over IP Review and Testing
- ☐ Social Engineering Testing
- ☐ Physical Security Inspections and Testing
- ☐ Software Source Code Reviews and Testing
- ☐ Application threat Modeling and Design Reviews
- ☐ Information Security Policy and Procedure Reviews
- ☐ Information Security Risk Assessment Reviews
- ☐ Security Awareness Program Reviews
- ☐ Incident Response Program Reviews
- ☐ Secure SDLC Development Reviews
- XX PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79
- XX PCI Report on Compliance Assessment or Gap Analysis Reporting
- ☐ HIPAA Scans in accordance with Federal Laws, Regulations, & NIST HIPAA Standards 800-66
- ☐ HIPAA Report on Compliance Assessment or Gap Analysis Reporting
- ☐ CJIS, CMS, IRS Compliance Security Assessments
- ☐ Other assessments to determine compliance with State, Federal Laws, Regulations and
  - Industry Recognized Standards
- ☐ Revalidation Reviews

## DELIVERABLES:

The CDT Contractor will supply the following deliverables as defined in the contract with MCS under this SOW:

- Vulnerability Assessment (VA) Requirements Meetings
- Vulnerability Assessment (VA) Requirements Documents for each sub project

- VA Project Plan for each sub project
- Memorandum of Understanding or Rules of Engagement document for each sub project
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- Report Standard Formats
- Practice Issue Management & Logging
- Practice Risk Management & Planning
- Practice Change Management
- Provide Work Activity Reporting (WAR) reports of work done

#### **ACCEPTANCE CRITERIA:**

Deliverables that are documents must:

- Be allowed no less than five (5) business days for review by the State of Michigan.
  - Be in electronic format, compatible with the State of Michigan software in accordance with Article 1.302 of original contract.
  - Provide a heading indicating document name on each page
  - Provide page number and "of pages" on each page.
  - Provide an "as of" date.
  - Indicate final and not draft status
  - Reflect correction of feedback provided by the State, regarding but not limited to, level of detail and clarifications.
  - Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager.
- The following requirements for final project acceptance apply:
- That all service deliverables defined in this purchase order Statement of Work have been completed and approved in writing by the Agency Manager, POC or DTMB Project Manager.
  - That debrief meetings with mitigations have been validated by a follow-up validation test to confirm required mitigations were successful.
  - Final acceptance of the named Agency Manager, or designated agency POC on the invoice for Vulnerability Assessment Services provided to the sub-project of the Michigan Department of Insurance and Financial Services accepting all deliverables.

#### **PROJECT CONTROL AND REPORTS:**

- Status updates are made daily during scanning & reviews with primary point of contact onsite with the Contractor
- Monthly meetings to discuss the projects' work done, work that will be done with MCS Project Managers. Review of updated project plan's, deliverable statuses, schedules, issue log, risk log and change log will be completed at each meeting as necessary.
- Agency Manager or agency POC will review day to day deliverable items on an ongoing bases during on-site work visits. Performance evaluations will be on-going with status meeting updates and work.
- Milestones and deliverables built into project plans.
- Deliverable Quality Assurance monitoring on-going through contract duration.

#### **SPECIFIC DEPARTMENT STANDARDS:**

SOM DTMB technology standards and policies will apply to all work being done under this contract. Links

are provided in the original contract in section 1.103 Environment.

#### **Additional Security and Background Check Requirements:**

Contractor must present certification evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC).

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

#### **PAYMENT SCHEDULE:**

Payments will be made on the satisfactory acceptance of deliverables and milestones as defined in the VAS contract which is reflected in this change request SOW.

- Work performed is defined in detail in the attached CDT contractor requirements document with attached project plan and cost estimate for this Michigan Department of Insurance and Financial Services project.
- All VAS project(s) will be estimated and invoiced using the firm fixed price rate per category of employee or title type as quoted in the original VAS contract.
- Invoices will not be paid for more than this SOW estimated amount.
- Invoices will be paid in a timely matter when the projects' deliverables have been completed and the SOM agency Manager or designated agency POC has approved the invoice.
- The Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Extended purchasing program volume requirements are not included, unless stated otherwise.

DTMB will pay the CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project Agency & POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

**The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project**

invoice submitted. Contractor invoices will be returned if a copy of the project requirements document, schedule, cost estimate and approved purchase order are not affixed to the invoice. The invoice will not exceed the approved purchase order amount for services.

All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

**EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

**PROJECT CONTACTS:**

Sue Ann Lipinski  
DTMB Enterprise Project Management Office  
Operations Center/Secondary Complex  
Phone: (517) 636-4595  
Email: [LipinskiS@michigan.gov](mailto:LipinskiS@michigan.gov)

And

Jim Wilbur, CISSP, CEH, MCSE  
IT Security Analyst  
515 Westshire Drive  
DTMB - Michigan Cyber Security  
(517) 331-7510  
Email: [WilburJ1@michigan.gov](mailto:WilburJ1@michigan.gov)

And

Denise Simon  
DTMB/Office of Michigan Cyber Security  
Operations Center/Secondary Complex  
Phone: 517-636-5130  
email: [simond@michigan.gov](mailto:simond@michigan.gov)

And

Scott W. Hall  
Audit Compliance Group  
Department of Technology, Management and Budget / Infrastructure and Operations / Enterprise Services  
517.241.4255  
[HALLS9@MICHIGAN.GOV](mailto:HALLS9@MICHIGAN.GOV)

The SPOC for original overall contract:

Richard Reasner  
DTMB CIP -MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-373-3832  
[ReasnerR@michigan.gov](mailto:ReasnerR@michigan.gov)

Or a designee assigned from DTMB CIP - MCS

## AGENCY RESPONSIBILITIES:

### Agency Manager- (Agency) and Point of Contact (POC)

Each SOW will identify an Agency Manager and POC who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Agency Manager and POC will provide the following services:

- Provide and/or coordinate State facility access, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors if external host testing is needed
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverables/milestones
- Review and sign-off of invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Submit SOM Purchase Order requests for sub-project
- Arrange, schedule and facilitate State staff attendance at project meetings.
- Submit EASA, ISR forms or create Remedy tickets as required.

## LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

On site requested work locations are located at:

PRIMARY	
Michigan Cyber Security MiSoC	515 Westshire Dr. Lansing MI 48917
POTENTIAL / SECONDARY SITES	
Traverse Bay Hosting Center (TBHC)	Richard H Austin Building, 430 W Allegan St, Lansing, MI
Lake Superior Hosting Center (LSHC)	Secondary Complex – Dept. Of State, 700 Crowner Dr., Dimondale, MI
Co-Location Center	4200 60th Street SE Wyoming, MI 49548
Hannah Bldg.	John Hannah Bldg., 608 W Allegan St., Lansing, MI
Plus Branch Office	8158 Executive Court, Lansing Michigan

External testing work locations must be identified in the approved SOW:

Cyber Defense Technologies, LLC	1818 Library Street, Suite 500 Reston, VA 20190 703-967-4767  James T. Wright, CPT   CEH   CNDA   CICP Principal Security Engineer Vice President / Chief Technical Officer <a href="http://www.CyberDefenseTechnologies.com">www.CyberDefenseTechnologies.com</a> Twitter: @CDTLLC / @TiberiusWright (O) (571) 346-7598 / (C) (703) 945-6100 < <a href="mailto:james.wright@cyberdefensetechnologies.com">james.wright@cyberdefensetechnologies.com</a> >
TrustedSec	14780 Pearl Road, Suite 300, Strongsville, OH 44136

**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.

No overtime will be authorized or paid.

The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

This purchase order is a release from Contract Number 071B6600012. This purchase order, statement of work, and the terms and conditions of Contract Number 071B6600012 constitute the entire agreement between the State and the Contractor.

## APPENDIX A

### Cost Per Agency

APPLICATIONS		Costs
DTMB KIOSK - 1 Full Scope Application		\$ 10,124.59
MDOS - 6 Full Scope Applications	\$ 60,747.51	
MDOS - 2 Redirect Applications	\$ 2,761.26	
MDOS Total		\$ 63,508.77
LARA - 6 Redirect Applications		\$ 8,283.78
DIFS - 2 Redirect Applications		\$ 2,761.26
DEQ - 1 Redirect Application		\$ 1,380.63
DNR - 1 Redirect Application		\$ 1,380.63
MDE - 1 Redirect Application		\$ 1,380.63
MDOC - 1 Redirect Application		\$ 1,380.63
MSP - 3 Redirect Applications		\$ 4,141.89
DCH/DHHS - 1 Redirect Application		\$ 1,380.63
Treasury - 3 Redirect Applications		\$ 4,141.89



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> PCI Penetration Test 2016 – 2017 Vulnerability Assessment Service's (VAS) Contract No. 071B6600012 – Enterprise PCI Compliance Project Sub-Project Change Request	<b>Period of Coverage:</b> March 1, 2017 – July 31, 2017
<b>Requesting Department:</b> DTMB CIP MCS / Michigan Department of State	<b>Date:</b> February 21, 2017
<b>Agency Project Manager:</b>  ( PM: Sue Ann Lipinski, Treas Lead: Amy Kelso, MCS Leads: Jim Wilbur and Denise Simon)	<b>Phone:</b> 517-636-4595/ (517) 331-7510 / (517) 636-5130
<b>DTMB Project Manager:</b> Natalie Lake / Richard Reasner	<b>Phone:</b> 517-241-0344/517-241-4090

**SERVICES TO BE PROVIDED AND BACKGROUND:**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with Cyber Defense Technologies, LLC (CDT) to provide the State of Michigan with Vulnerability Assessment services to validate SOM information technology (IT) and environmental security posture on an ongoing bases.

Cyber Defense Technologies, LLC (CDT) and partner TrustedSec will provide different levels of IT security vulnerability assessment services that are defined in the Tasks listed below. The teaming expertise will cover many different IT security vulnerability testing categories or levels as possible.

This Statement of Work (SOW) is a change request SOW for modification to the original contract with Cyber Defense Technologies, # 071B6600012. The Michigan Department of State wishes to utilize the selected contract services from the tasks listed below and add funding to the original contract in the amount of \$63,508.77.

**PROJECT OBJECTIVE:**

- Eliminate or lessen the number of security threats/gaps
- Lower the risk of network and/or system attacks as security gaps are closed
- Protect CJIS, IRS, PCI, PII, and HIPAA information to the fullest extent possible
- Increase security awareness throughout all SOM agencies by providing security technical expertise to secure their business solutions and operations
- Increase SOM's security posture and protect all SOM assets
- Prevent attack recovery costs and protect SOM reputation

**SCOPE OF WORK:**

The CDT Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies
- providing cost estimates and proposed test schedules
- conducting security inspections, scans, penetration testing, and code reviews
- result reporting with remediation/mitigation suggestions
- validation testing after remediation/mitigation actions

- metric reporting of on-going security stature

## TASKS:

The full technical scope of VAS contracted services is listed below. The Michigan Department of State will utilize those items check marked from this listing. All VAS sub-projects may use one or a combination of the following:

- XX External Network Vulnerability Penetration Testing
- XX Internal Network Vulnerability Penetration Testing
- ☐ Web Application / Database Penetration Testing
- ☐ Internal / External Trusted Cloud Assessments
- ☐ DMZ or Network Architecture Testing / Reviews
- ☐ Wireless Network Penetration Testing
- ☐ Virtual Infrastructure Security Penetration Testing
- ☐ Server Configuration Scanning / Reviews
- ☐ Firewall and Router Configuration Reviews and Testing
- ☐ VPN Configuration Reviews and Testing
- ☐ Voice over IP Review and Testing
- ☐ Social Engineering Testing
- ☐ Physical Security Inspections and Testing
- ☐ Software Source Code Reviews and Testing
- ☐ Application threat Modeling and Design Reviews
- ☐ Information Security Policy and Procedure Reviews
- ☐ Information Security Risk Assessment Reviews
- ☐ Security Awareness Program Reviews
- ☐ Incident Response Program Reviews
- ☐ Secure SDLC Development Reviews
- XX PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79
- XX PCI Report on Compliance Assessment or Gap Analysis Reporting
- ☐ HIPAA Scans in accordance with Federal Laws, Regulations, & NIST HIPAA Standards 800-66
- ☐ HIPAA Report on Compliance Assessment or Gap Analysis Reporting
- ☐ CJIS, CMS, IRS Compliance Security Assessments
- ☐ Other assessments to determine compliance with State, Federal Laws, Regulations and
  - Industry Recognized Standards
- ☐ Revalidation Reviews

## DELIVERABLES:

The CDT Contractor will supply the following deliverables as defined in the contract with MCS under this SOW:

- Vulnerability Assessment (VA) Requirements Meetings
- Vulnerability Assessment (VA) Requirements Documents for each sub project

- VA Project Plan for each sub project
- Memorandum of Understanding or Rules of Engagement document for each sub project
- Project Roles & Responsibilities for each sub project
- Cost Estimate for each sub project
- Debrief meetings to review testing /finding results for each sub project
- Plan of Action & Milestones (POAM) for each sub project
- On-Going Metric Report for each sub project
- Project Staffing Structure
- Staffing Resumes / Background checks completed prior to work
- Report Standard Formats
- Practice Issue Management & Logging
- Practice Risk Management & Planning
- Practice Change Management
- Provide Work Activity Reporting (WAR) reports of work done

#### **ACCEPTANCE CRITERIA:**

Deliverables that are documents must:

- Be allowed no less than five (5) business days for review by the State of Michigan.
  - Be in electronic format, compatible with the State of Michigan software in accordance with Article 1.302 of original contract.
  - Provide a heading indicating document name on each page
  - Provide page number and "of pages" on each page.
  - Provide an "as of" date.
  - Indicate final and not draft status
  - Reflect correction of feedback provided by the State, regarding but not limited to, level of detail and clarifications.
  - Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager.
- The following requirements for final project acceptance apply:
- That all service deliverables defined in this purchase order Statement of Work have been completed and approved in writing by the Agency Manager, POC or DTMB Project Manager.
  - That debrief meetings with mitigations have been validated by a follow-up validation test to confirm required mitigations were successful.
  - Final acceptance of the named Agency Manager, or designated agency POC on the invoice for Vulnerability Assessment Services provided to the sub-project of the Michigan Department of State accepting all deliverables.

#### **PROJECT CONTROL AND REPORTS:**

- Status updates are made daily during scanning & reviews with primary point of contact onsite with the Contractor
- Monthly meetings to discuss the projects' work done, work that will be done with MCS Project Managers. Review of updated project plan's, deliverable statuses, schedules, issue log, risk log and change log will be completed at each meeting as necessary.
- Agency Manager or agency POC will review day to day deliverable items on an ongoing bases during on-site work visits. Performance evaluations will be on-going with status meeting updates and work.
- Milestones and deliverables built into project plans.
- Deliverable Quality Assurance monitoring on-going through contract duration.

#### **SPECIFIC DEPARTMENT STANDARDS:**

SOM DTMB technology standards and policies will apply to all work being done under this contract. Links

are provided in the original contract in section 1.103 Environment.

#### **Additional Security and Background Check Requirements:**

Contractor must present certification evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC).

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

#### **PAYMENT SCHEDULE:**

Payments will be made on the satisfactory acceptance of deliverables and milestones as defined in the VAS contract which is reflected in this change request SOW.

- Work performed is defined in detail in the attached CDT contractor requirements document with attached project plan and cost estimate for this Michigan Department of State project.
- All VAS project(s) will be estimated and invoiced using the firm fixed price rate per category of employee or title type as quoted in the original VAS contract.
- Invoices will not be paid for more than this SOW estimated amount.
- Invoices will be paid in a timely matter when the projects' deliverables have been completed and the SOM agency Manager or designated agency POC has approved the invoice.
- The Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Extended purchasing program volume requirements are not included, unless stated otherwise.

DTMB will pay the CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project Agency & POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

**The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project invoice submitted. Contractor invoices will be returned if a copy of the project requirements**

**document, schedule, cost estimate and approved purchase order are not affixed to the invoice.  
The invoice will not exceed the approved purchase order amount for services.**

All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

**EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

**PROJECT CONTACTS:**

Sue Ann Lipinski  
DTMB Enterprise Project Management Office  
Operations Center/Secondary Complex  
Phone: (517) 636-4595  
Email: [LipinskiS@michigan.gov](mailto:LipinskiS@michigan.gov)

And

Jim Wilbur, CISSP, CEH, MCSE  
IT Security Analyst  
515 Westshire Drive  
DTMB - Michigan Cyber Security  
(517) 331-7510  
Email: [WilburJ1@michigan.gov](mailto:WilburJ1@michigan.gov)

And

Denise Simon  
DTMB/Office of Michigan Cyber Security  
Operations Center/Secondary Complex  
Phone: 517-636-5130  
email: [simond@michigan.gov](mailto:simond@michigan.gov)

And

Scott W. Hall  
Audit Compliance Group  
Department of Technology, Management and Budget / Infrastructure and Operations / Enterprise Services  
517.241.4255  
[HALLS9@MICHIGAN.GOV](mailto:HALLS9@MICHIGAN.GOV)

The SPOC for original overall contract:

Richard Reasner  
DTMB CIP -MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-373-3832  
[ReasnerR@michigan.gov](mailto:ReasnerR@michigan.gov)

Or a designee assigned from DTMB CIP - MCS

#### AGENCY RESPONSIBILITIES:

##### **Agency Manager- (Agency) and Point of Contact (POC)**

Each SOW will identify an Agency Manager and POC who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Agency Manager and POC will provide the following services:

- Provide and/or coordinate State facility access, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors if external host testing is needed
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverables/milestones
- Review and sign-off of invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Submit SOM Purchase Order requests for sub-project
- Arrange, schedule and facilitate State staff attendance at project meetings.
- Submit EASA, ISR forms or create Remedy tickets as required.

#### LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

On site requested work locations are located at:

PRIMARY	
Michigan Cyber Security MiSoC	515 Westshire Dr. Lansing MI 48917
POTENTIAL / SECONDARY SITES	
Traverse Bay Hosting Center (TBHC)	Richard H Austin Building, 430 W Allegan St, Lansing, MI
Lake Superior Hosting Center (LSHC)	Secondary Complex – Dept. Of State, 700 Crowner Dr., Dimondale, MI
Co-Location Center	4200 60th Street SE Wyoming, MI 49548
Hannah Bldg.	John Hannah Bldg., 608 W Allegan St., Lansing, MI
Plus Branch Office	8158 Executive Court, Lansing Michigan

External testing work locations must be identified in the approved SOW:

Cyber Defense Technologies, LLC	1818 Library Street, Suite 500 Reston, VA 20190 703-967-4767  James T. Wright, CPT   CEH   CNDA   CICP Principal Security Engineer Vice President / Chief Technical Officer <a href="http://www.CyberDefenseTechnologies.com">www.CyberDefenseTechnologies.com</a> Twitter: @CDTLLC / @TiberiusWright (O) (571) 346-7598 / (C) (703) 945-6100 <a href="mailto:james.wright@cyberdefensetechnologies.com">&lt;james.wright@cyberdefensetechnologies.com</a>
TrustedSec	14780 Pearl Road, Suite 300, Strongsville, OH 44136

#### EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.

No overtime will be authorized or paid.

The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

This purchase order is a release from Contract Number 071B6600012. This purchase order, statement of work, and the terms and conditions of Contract Number 071B6600012 constitute the entire agreement between the State and the Contractor.

## APPENDIX A

### Cost Per Agency

APPLICATIONS		Costs
DTMB KIOSK - 1 Full Scope Application		\$ 10,124.59
MDOS - 6 Full Scope Applications	\$ 60,747.51	
MDOS - 2 Redirect Applications	\$ 2,761.26	
MDOS Total		\$ 63,508.77
LARA - 6 Redirect Applications		\$ 8,283.78
DIFS - 2 Redirect Applications		\$ 2,761.26
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MDE - 1 Redirect Application		\$ 1,380.63
MDOT - 1 Redirect Application		\$ 2,761.26
MSP - 3 Redirect Applications		\$ 4,141.89
DCH/DHHS - 1 Redirect Application		\$ 1,380.63
Treasury - 3 Redirect Applications		\$ 4,141.89



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> PCI Penetration Test 2016 – 2017 Vulnerability Assessment Service's (VAS) Contract No. 071B6600012 – Enterprise PCI Compliance Project Sub-Project Change Request	<b>Period of Coverage:</b> March 1, 2017 – July 31, 2017
<b>Requesting Department:</b> DTMB CIP MCS / Michigan Department of Education	<b>Date:</b> February 21, 2017
<b>Agency Project Manager:</b>  ( PM: Sue Ann Lipinski, Treas Lead: Amy Kelso, MCS Leads: Jim Wilbur and Denise Simon)	<b>Phone:</b> 517-636-4595/ (517) 331-7510 / (517) 636-5130
<b>DTMB Project Manager:</b> Natalie Lake / Richard Reasner	<b>Phone:</b> 517-241-0344/517-241-4090

**SERVICES TO BE PROVIDED AND BACKGROUND:**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with Cyber Defense Technologies, LLC (CDT) to provide the State of Michigan with Vulnerability Assessment services to validate SOM information technology (IT) and environmental security posture on an ongoing bases.

Cyber Defense Technologies, LLC (CDT) and partner TrustedSec will provide different levels of IT security vulnerability assessment services that are defined in the Tasks listed below. The teaming expertise will cover many different IT security vulnerability testing categories or levels as possible.

This Statement of Work (SOW) is a change request SOW for modification to the original contract with Cyber Defense Technologies, # 071B6600012. The Michigan Department of Education wishes to utilize the selected contract services from the tasks listed below and add funding to the original contract in the amount of \$1,380.63.

**PROJECT OBJECTIVE:**

- Eliminate or lesson the number of security threats/gaps
- Lower the risk of network and/or system attacks as security gaps are closed
- Protect CJIS, IRS, PCI, PII, and HIPAA information to the fullest extent possible
- Increase security awareness throughout all SOM agencies by providing security technical expertise to secure their business solutions and operations
- Increase SOM's security posture and protect all SOM assets
- Prevent attack recovery costs and protect SOM reputation

**SCOPE OF WORK:**

The CDT Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies
- providing cost estimates and proposed test schedules
- conducting security inspections, scans, penetration testing, and code reviews
- result reporting with remediation/mitigation suggestions
- validation testing after remediation/mitigation actions

- metric reporting of on-going security stature

## TASKS:

The full technical scope of VAS contracted services is listed below. The Michigan Department of Education will utilize those items checked from this listing. All VAS sub-projects may use one or a combination of the following:

- XX External Network Vulnerability Penetration Testing
- XX Internal Network Vulnerability Penetration Testing
- ☐ Web Application / Database Penetration Testing
- ☐ Internal / External Trusted Cloud Assessments
- ☐ DMZ or Network Architecture Testing / Reviews
- ☐ Wireless Network Penetration Testing
- ☐ Virtual Infrastructure Security Penetration Testing
- ☐ Server Configuration Scanning / Reviews
- ☐ Firewall and Router Configuration Reviews and Testing
- ☐ VPN Configuration Reviews and Testing
- ☐ Voice over IP Review and Testing
- ☐ Social Engineering Testing
- ☐ Physical Security Inspections and Testing
- ☐ Software Source Code Reviews and Testing
- ☐ Application threat Modeling and Design Reviews
- ☐ Information Security Policy and Procedure Reviews
- ☐ Information Security Risk Assessment Reviews
- ☐ Security Awareness Program Reviews
- ☐ Incident Response Program Reviews
- ☐ Secure SDLC Development Reviews
- XX PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79
- XX PCI Report on Compliance Assessment or Gap Analysis Reporting
- ☐ HIPAA Scans in accordance with Federal Laws, Regulations, & NIST HIPAA Standards 800-66
- ☐ HIPAA Report on Compliance Assessment or Gap Analysis Reporting
- ☐ CJIS, CMS, IRS Compliance Security Assessments
- ☐ Other assessments to determine compliance with State, Federal Laws, Regulations and
  - Industry Recognized Standards
- ☐ Revalidation Reviews

## DELIVERABLES:

The CDT Contractor will supply the following deliverables as defined in the contract with MCS under this SOW:

- Vulnerability Assessment (VA) Requirements Meetings
- Vulnerability Assessment (VA) Requirements Documents for each sub project

- VA Project Plan for each sub project
- Memorandum of Understanding or Rules of Engagement document for each sub project
- Project Roles & Responsibilities for each sub project
- Cost Estimate for each sub project
- Debrief meetings to review testing /finding results for each sub project
- Plan of Action & Milestones (POAM) for each sub project
- On-Going Metric Report for each sub project
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- Staffing Resumes / Background checks completed prior to work
- Report Standard Formats
- Practice Issue Management & Logging
- Practice Risk Management & Planning
- Practice Change Management
- Provide Work Activity Reporting (WAR) reports of work done

#### **ACCEPTANCE CRITERIA:**

Deliverables that are documents must:

- Be allowed no less than five (5) business days for review by the State of Michigan.
  - Be in electronic format, compatible with the State of Michigan software in accordance with Article 1.302 of original contract.
  - Provide a heading indicating document name on each page
  - Provide page number and "of pages" on each page.
  - Provide an "as of" date.
  - Indicate final and not draft status
  - Reflect correction of feedback provided by the State, regarding but not limited to, level of detail and clarifications.
  - Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager.
- The following requirements for final project acceptance apply:
- That all service deliverables defined in this purchase order Statement of Work have been completed and approved in writing by the Agency Manager, POC or DTMB Project Manager.
  - That debrief meetings with mitigations have been validated by a follow-up validation test to confirm required mitigations were successful.
  - Final acceptance of the named Agency Manager, or designated agency POC on the invoice for Vulnerability Assessment Services provided to the sub-project of the Michigan Department of Education accepting all deliverables.

#### **PROJECT CONTROL AND REPORTS:**

- Status updates are made daily during scanning & reviews with primary point of contact onsite with the Contractor
- Monthly meetings to discuss the projects' work done, work that will be done with MCS Project Managers. Review of updated project plan's, deliverable status's, schedules , issue log, risk log and change log will be completed at each meeting as necessary.
- Agency Manager or agency POC will review day to day deliverable items on an ongoing bases during on-site work visits. Performance evaluations will be on-going with status meeting updates and work.
- Milestones and deliverables built into project plan's.
- Deliverable Quality Assurance monitoring on-going through contract duration.

#### **SPECIFIC DEPARTMENT STANDARDS:**

SOM DTMB technology standards and policies will apply to all work being done under this contract. Links

are provided in the original contract in section 1.103 Environment.

**Additional Security and Background Check Requirements:**

Contractor must present certification evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC).

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

**PAYMENT SCHEDULE:**

Payments will be made on the satisfactory acceptance of deliverables and milestones as defined in the VAS contract which is reflected in this change request SOW.

- Work performed is defined in detail in the attached CDT contractor requirements document with attached project plan and cost estimate for this Michigan Department of Education project.
- All VAS project(s) will be estimated and invoiced using the firm fixed price rate per category of employee or title type as quoted in the original VAS contract.
- Invoices will not be paid for more than this SOW estimated amount.
- Invoices will be paid in a timely matter when the projects' deliverables have been completed and the SOM agency Manager or designated agency POC has approved the invoice.
- The Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Extended purchasing program volume requirements are not included, unless stated otherwise.

DTMB will pay the CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project Agency & POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

**The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project invoice submitted. Contractor invoices will be returned if a copy of the project requirements**

**document, schedule, cost estimate and approved purchase order are not affixed to the invoice.  
The invoice will not exceed the approved purchase order amount for services.**

All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

**EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

**PROJECT CONTACTS:**

Sue Ann Lipinski  
DTMB Enterprise Project Management Office  
Operations Center/Secondary Complex  
Phone: (517) 636-4595  
Email: [LipinskiS@michigan.gov](mailto:LipinskiS@michigan.gov)

And

Jim Wilbur, CISSP, CEH, MCSE  
IT Security Analyst  
515 Westshire Drive  
DTMB - Michigan Cyber Security  
(517) 331-7510  
Email: [WilburJ1@michigan.gov](mailto:WilburJ1@michigan.gov)

And

Denise Simon  
DTMB/Office of Michigan Cyber Security  
Operations Center/Secondary Complex  
Phone: 517-636-5130  
email: [simond@michigan.gov](mailto:simond@michigan.gov)

And

Scott W. Hall  
Audit Compliance Group  
Department of Technology, Management and Budget / Infrastructure and Operations / Enterprise Services  
517.241.4255  
[HALLS9@MICHIGAN.GOV](mailto:HALLS9@MICHIGAN.GOV)

The SPOC for original overall contract:

Richard Reasner  
DTMB CIP -MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-373-3832  
[ReasnerR@michigan.gov](mailto:ReasnerR@michigan.gov)

Or a designee assigned from DTMB CIP - MCS

#### AGENCY RESPONSIBILITIES:

##### **Agency Manager- (Agency) and Point of Contact (POC)**

Each SOW will identify a Agency Manager and POC who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Agency Manager and POC will provide the following services:

- Provide and/or coordinate State facility access, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors if external host testing is needed
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverables/milestones
- Review and sign-off of invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Submit SOM Purchase Order requests for sub-project
- Arrange, schedule and facilitate State staff attendance at project meetings.
- Submit EASA, ISR forms or create Remedy tickets as required.

#### LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

On site requested work locations are located at:

PRIMARY	
Michigan Cyber Security MiSoC	515 Westshire Dr. Lansing MI 48917
POTENTIAL / SECONDARY SITES	
Traverse Bay Hosting Center (TBHC)	Richard H Austin Building, 430 W Allegan St, Lansing, MI
Lake Superior Hosting Center (LSHC)	Secondary Complex -- Dept. Of State, 706 Crowner Dr., Dimondale, MI
Co-Location Center	4200 60th Street SE Wyoming, MI 49548
Hannah Bldg.	John Hannah Bldg., 608 W Allegan St., Lansing, MI
Plus Branch Office	8158 Executive Court, Lansing Michigan

External testing work locations must be identified in the approved SOW:

Cyber Defense Technologies, LLC	1818 Library Street, Suite 500 Reston, VA 20190 703-967-4767  James T. Wright, CPT   CEH   CNDA   CICP Principal Security Engineer Vice President / Chief Technical Officer <a href="http://www.CyberDefenseTechnologies.com">www.CyberDefenseTechnologies.com</a> Twitter: @CDTLLC / @TiberiusWright (O) (571) 346-7598 / (C) (703) 945-6100 <a href="mailto:james.wright@cyberdefensetechnologies.com">&lt;james.wright@cyberdefensetechnologies.com</a>
TrustedSec	14780 Pearl Road, Suite 300, Strongsville, OH 44136

#### EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.

No overtime will be authorized or paid.

The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

This purchase order is a release from Contract Number 071B6600012. This purchase order, statement of work, and the terms and conditions of Contract Number 071B6600012 constitute the entire agreement between the State and the Contractor.

## APPENDIX A

### Cost Per Agency

APPLICATIONS		Costs
DTMB KIOSK - 1 Full Scope Application		\$ 10,124.59
MDOS - 6 Full Scope Applications	\$ 60,747.51	
MDOS - 2 Redirect Applications	\$ 2,761.26	
MDOS Total		\$ 63,508.77
LARA - 6 Redirect Applications		\$ 8,283.78
DIFS - 2 Redirect Applications		\$ 2,761.26
DEQ - 1 Redirect Application		\$ 1,380.63
DEP - 1 Redirect Application		\$ 1,380.63
MDE - 1 Redirect Application		\$ 1,380.63
MDOT - 2 Redirect Applications		\$ 2,761.26
MSP - 3 Redirect Applications		\$ 4,141.89
OCH/DHHS - 1 Redirect Application		\$ 1,380.63
Treasury - 3 Redirect Applications		\$ 4,141.89



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> PCI Penetration Test 2016 – 2017 Vulnerability Assessment Service's (VAS) Contract No. 071B6600012 – Enterprise PCI Compliance Project Sub-Project Change Request	<b>Period of Coverage:</b> March 1, 2017 – July 31, 2017
<b>Requesting Department:</b> DTMB CIP MCS / Michigan Department of Environmental Quality	<b>Date:</b> February 21, 2017
<b>Agency Project Manager:</b>  ( PM: Sue Ann Lipinski, Treas Lead: Amy Kelso, MCS Leads: Jim Wilbur and Denise Simon)	<b>Phone:</b> 517-636-4595/ (517) 331-7510 / (517) 636-5130
<b>DTMB Project Manager:</b> Natalie Lake / Richard Reasner	<b>Phone:</b> 517-241-0344/517-241-4090

**SERVICES TO BE PROVIDED AND BACKGROUND:**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with Cyber Defense Technologies, LLC (CDT) to provide the State of Michigan with Vulnerability Assessment services to validate SOM information technology (IT) and environmental security posture on an ongoing bases.

Cyber Defense Technologies, LLC (CDT) and partner TrustedSec will provide different levels of IT security vulnerability assessment services that are defined in the Tasks listed below. The teaming expertise will cover many different IT security vulnerability testing categories or levels as possible.

This Statement of Work (SOW) is a change request SOW for modification to the original contract with Cyber Defense Technologies, # 071B6600012. The Michigan Department of Environmental Quality wishes to utilize the selected contract services from the tasks listed below and add funding to the original contract in the amount of \$1380.63.

**PROJECT OBJECTIVE:**

- Eliminate or lessen the number of security threats/gaps
- Lower the risk of network and/or system attacks as security gaps are closed
- Protect CJIS, IRS, PCI, PII, and HIPAA information to the fullest extent possible
- Increase security awareness throughout all SOM agencies by providing security technical expertise to secure their business solutions and operations
- Increase SOM's security posture and protect all SOM assets
- Prevent attack recovery costs and protect SOM reputation

**SCOPE OF WORK:**

The CDT Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies
- providing cost estimates and proposed test schedules
- conducting security inspections, scans, penetration testing, and code reviews
- result reporting with remediation/mitigation suggestions
- validation testing after remediation/mitigation actions

- metric reporting of on-going security stature

#### TASKS:

The full technical scope of VAS contracted services is listed below. The Michigan Department of Environmental Quality will utilize those items check marked from this listing. All VAS sub-projects may use one or a combination of the following:

- XX External Network Vulnerability Penetration Testing
- XX Internal Network Vulnerability Penetration Testing
- ☐ Web Application / Database Penetration Testing
- ☐ Internal / External Trusted Cloud Assessments
- ☐ DMZ or Network Architecture Testing / Reviews
- ☐ Wireless Network Penetration Testing
- ☐ Virtual Infrastructure Security Penetration Testing
- ☐ Server Configuration Scanning / Reviews
- ☐ Firewall and Router Configuration Reviews and Testing
- ☐ VPN Configuration Reviews and Testing
- ☐ Voice over IP Review and Testing
- ☐ Social Engineering Testing
- ☐ Physical Security Inspections and Testing
- ☐ Software Source Code Reviews and Testing
- ☐ Application threat Modeling and Design Reviews
- ☐ Information Security Policy and Procedure Reviews
- ☐ Information Security Risk Assessment Reviews
- ☐ Security Awareness Program Reviews
- ☐ Incident Response Program Reviews
- ☐ Secure SDLC Development Reviews
- XX PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79
- XX PCI Report on Compliance Assessment or Gap Analysis Reporting
- ☐ HIPAA Scans in accordance with Federal Laws, Regulations, & NIST HIPAA Standards 800-66
- ☐ HIPAA Report on Compliance Assessment or Gap Analysis Reporting
- ☐ CJIS, CMS, IRS Compliance Security Assessments
- ☐ Other assessments to determine compliance with State, Federal Laws, Regulations and
  - Industry Recognized Standards
- ☐ Revalidation Reviews

#### DELIVERABLES:

The CDT Contractor will supply the following deliverables as defined in the contract with MCS under this SOW:

- Vulnerability Assessment (VA) Requirements Meetings
- Vulnerability Assessment (VA) Requirements Documents for each sub project

- VA Project Plan for each sub project
- Memorandum of Understanding or Rules of Engagement document for each sub project
- Project Roles & Responsibilities for each sub project
- Cost Estimate for each sub project
- Debrief meetings to review testing /finding results for each sub project
- Plan of Action & Milestones (POAM) for each sub project
- On-Going Metric Report for each sub project
- Project Staffing Structure
- Staffing Resumes / Background checks completed prior to work
- Report Standard Formats
- Practice Issue Management & Logging
- Practice Risk Management & Planning
- Practice Change Management
- Provide Work Activity Reporting (WAR) reports of work done

#### **ACCEPTANCE CRITERIA:**

Deliverables that are documents must:

- Be allowed no less than five (5) business days for review by the State of Michigan.
  - Be in electronic format, compatible with the State of Michigan software in accordance with Article 1.302 of original contract.
  - Provide a heading indicating document name on each page
  - Provide page number and "of pages" on each page.
  - Provide an "as of" date.
  - Indicate final and not draft status
  - Reflect correction of feedback provided by the State, regarding but not limited to, level of detail and clarifications.
  - Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager.
- The following requirements for final project acceptance apply:
- That all service deliverables defined in this purchase order Statement of Work have been completed and approved in writing by the Agency Manager, POC or DTMB Project Manager.
  - That debrief meetings with mitigations have been validated by a follow-up validation test to confirm required mitigations were successful.
  - Final acceptance of the named Agency Manager, or designated agency POC on the invoice for Vulnerability Assessment Services provided to the sub-project of the Michigan Department of Environmental Quality accepting all deliverables.

#### **PROJECT CONTROL AND REPORTS:**

- Status updates are made daily during scanning & reviews with primary point of contact onsite with the Contractor
- Monthly meetings to discuss the projects' work done, work that will be done with MCS Project Managers. Review of updated project plan's, deliverable statuses, schedules, issue log, risk log and change log will be completed at each meeting as necessary.
- Agency Manager or agency POC will review day to day deliverable items on an ongoing bases during on-site work visits. Performance evaluations will be on-going with status meeting updates and work.
- Milestones and deliverables built into project plans.
- Deliverable Quality Assurance monitoring on-going through contract duration.

#### **SPECIFIC DEPARTMENT STANDARDS:**

SOM DTMB technology standards and policies will apply to all work being done under this contract. Links

are provided in the original contract in section 1.103 Environment.

**Additional Security and Background Check Requirements:**

Contractor must present certification evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC).

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

**PAYMENT SCHEDULE:**

Payments will be made on the satisfactory acceptance of deliverables and milestones as defined in the VAS contract which is reflected in this change request SOW.

- Work performed is defined in detail in the attached CDT contractor requirements document with attached project plan and cost estimate for this Michigan Department of Environmental Quality project.
- All VAS project(s) will be estimated and invoiced using the firm fixed price rate per category of employee or title type as quoted in the original VAS contract.
- Invoices will not be paid for more than this SOW estimated amount.
- Invoices will be paid in a timely matter when the projects' deliverables have been completed and the SOM agency Manager or designated agency POC has approved the invoice.
- The Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Extended purchasing program volume requirements are not included, unless stated otherwise.

DTMB will pay the CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project Agency & POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

**The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project**

**Invoice submitted. Contractor invoices will be returned if a copy of the project requirements document, schedule, cost estimate and approved purchase order are not affixed to the invoice. The invoice will not exceed the approved purchase order amount for services.**

All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

**EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

**PROJECT CONTACTS:**

Sue Ann Lipinski  
DTMB Enterprise Project Management Office  
Operations Center/Secondary Complex  
Phone: (517) 636-4595  
Email: [LipinskiS@michigan.gov](mailto:LipinskiS@michigan.gov)

And

Jim Wilbur, CISSP, CEH, MCSE  
IT Security Analyst  
515 Westshire Drive  
DTMB - Michigan Cyber Security  
(517) 331-7510  
Email: [WilburJ1@michigan.gov](mailto:WilburJ1@michigan.gov)

And

Denise Simon  
DTMB/Office of Michigan Cyber Security  
Operations Center/Secondary Complex  
Phone: 517-636-5130  
email: [simond@michigan.gov](mailto:simond@michigan.gov)

And

Scott W. Hall  
Audit Compliance Group  
Department of Technology, Management and Budget / Infrastructure and Operations / Enterprise Services  
517.241.4255  
[HALLS9@MICHIGAN.GOV](mailto:HALLS9@MICHIGAN.GOV)

The SPOC for original overall contract:

Richard Reasner  
DTMB CIP -MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-373-3832  
[ReasnerR@michigan.gov](mailto:ReasnerR@michigan.gov)

Or a designee assigned from DTMB CIP - MCS

#### AGENCY RESPONSIBILITIES:

##### **Agency Manager- (Agency) and Point of Contact (POC)**

Each SOW will identify an Agency Manager and POC who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Agency Manager and POC will provide the following services:

- Provide and/or coordinate State facility access, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors if external host testing is needed
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverables/milestones
- Review and sign-off of invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Submit SOM Purchase Order requests for sub-project
- Arrange, schedule and facilitate State staff attendance at project meetings.
- Submit EASA, ISR forms or create Remedy tickets as required.

#### LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

On site requested work locations are located at:

PRIMARY	
Michigan Cyber Security MiSoC	515 Westshire Dr. Lansing MI 48917
POTENTIAL / SECONDARY SITES	
Traverse Bay Hosting Center (TBHC)	Richard H Austin Building, 430 W Allegan St, Lansing, MI
Lake Superior Hosting Center (LSHC)	Secondary Complex – Dept. Of State, 706 Crowner Dr., Dimondale, MI
Co-Location Center	4200 60th Street SE Wyoming, MI 49548
Hannah Bldg.	John Hannah Bldg., 608 W Allegan St., Lansing, MI
Plus Branch Office	8158 Executive Court, Lansing Michigan

External testing work locations must be identified in the approved SOW:

Cyber Defense Technologies, LLC	1818 Library Street, Suite 500 Reston, VA 20190 703-967-4767  James T. Wright, CPT   CEH   CNDA   CICP Principal Security Engineer Vice President / Chief Technical Officer <a href="http://www.CyberDefenseTechnologies.com">www.CyberDefenseTechnologies.com</a> Twitter: @CDTLLC / @TiberiusWright (O) (571) 346-7598 / (C) (703) 945-6100 < <a href="mailto:james.wright@cyberdefensetechnologies.com">james.wright@cyberdefensetechnologies.com</a>
TrustedSec	14780 Pearl Road, Suite 300, Strongsville, OH 44136

**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.

No overtime will be authorized or paid.

The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

This purchase order is a release from Contract Number 071B6600012. This purchase order, statement of work, and the terms and conditions of Contract Number 071B6600012 constitute the entire agreement between the State and the Contractor.

## APPENDIX A

### Cost Per Agency

APPLICATIONS		Costs
DTMB Kiosk - 1 Full Scope Application		\$ 10,124.59
MDOS - 6 Full Scope Applications	\$ 60,747.51	
MDOS - 2 Redirect Applications	\$ 2,761.26	
MDOS Total		\$ 63,508.77
LARA - 6 Redirect Applications		\$ 8,283.78
DIFS - 2 Redirect Applications		\$ 2,761.26
DEQ - 1 Redirect Application		\$ 1,380.63
MDE - 1 Redirect Application		\$ 1,380.63
MCOE - 1 Redirect Application		\$ 2,761.26
MSP - 3 Redirect Applications		\$ 4,141.89
DCN/DHMS - 1 Redirect Application		\$ 1,380.63
Treasury - 3 Redirect Applications		\$ 4,141.89



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> PCI Penetration Test 2016 – 2017 Vulnerability Assessment Service's (VAS) Contract No. 071B6600012 – Enterprise PCI Compliance Project Sub-Project Change Request	<b>Period of Coverage:</b> March 1, 2017 – July 31, 2017
<b>Requesting Department:</b> Michigan Department of Technology, Management and Budget (DTMB) Parking Lot Kiosk	<b>Date:</b> February 21, 2017
<b>Agency Project Manager:</b>  ( PM: Sue Ann Lipinski, Treas Lead: Amy Kelso, MCS Leads: Jim Wilbur and Denise Simon)	<b>Phone:</b> 517-636-4595/ (517) 331-7510 / (517) 636-5130
<b>DTMB Project Manager:</b> Natalie Lake / Richard Reasner	<b>Phone:</b> 517-241-0344/517-241-4090

**SERVICES TO BE PROVIDED AND BACKGROUND:**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with Cyber Defense Technologies, LLC (CDT) to provide the State of Michigan with Vulnerability Assessment services to validate SOM information technology (IT) and environmental security posture on an ongoing bases.

Cyber Defense Technologies, LLC (CDT) and partner TrustedSec will provide different levels of IT security vulnerability assessment services that are defined in the Tasks listed below. The teaming expertise will cover many different IT security vulnerability testing categories or levels as possible.

This Statement of Work (SOW) is a change request SOW for modification to the original contract with Cyber Defense Technologies, # 071B6600012. The Michigan Department of Technology, Management and Budget (DTMB) Parking Lot Kiosk wishes to utilize the selected contract services from the tasks listed below and add funding to the original contract in the amount of \$10,124.59.

**PROJECT OBJECTIVE:**

- Eliminate or lessen the number of security threats/gaps
- Lower the risk of network and/or system attacks as security gaps are closed
- Protect CJIS, IRS, PCI, PII, and HIPAA information to the fullest extent possible
- Increase security awareness throughout all SOM agencies by providing security technical expertise to secure their business solutions and operations
- Increase SOM's security posture and protect all SOM assets
- Prevent attack recovery costs and protect SOM reputation

**SCOPE OF WORK:**

The CDT Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies
- providing cost estimates and proposed test schedules
- conducting security inspections, scans, penetration testing, and code reviews
- result reporting with remediation/mitigation suggestions
- validation testing after remediation/mitigation actions
- metric reporting of on-going security stature

**TASKS:**

The full technical scope of VAS contracted services is listed below. The Michigan Department of Technology, Management and Budget (DTMB) Parking Lot Kiosk will utilize those items check marked from this listing. All VAS sub-projects may use one or a combination of the following:

XXX External Network Vulnerability Penetration Testing

XXX Internal Network Vulnerability Penetration Testing

- ☐ Web Application / Database Penetration Testing
- ☐ Internal / External Trusted Cloud Assessments
- ☐ DMZ or Network Architecture Testing / Reviews
- ☐ Wireless Network Penetration Testing
- ☐ Virtual Infrastructure Security Penetration Testing
- ☐ Server Configuration Scanning / Reviews
- ☐ Firewall and Router Configuration Reviews and Testing
- ☐ VPN Configuration Reviews and Testing
- ☐ Voice over IP Review and Testing
- ☐ Social Engineering Testing
- ☐ Physical Security Inspections and Testing
- ☐ Software Source Code Reviews and Testing
- ☐ Application threat Modeling and Design Reviews
- ☐ Information Security Policy and Procedure Reviews
- ☐ Information Security Risk Assessment Reviews
- ☐ Security Awareness Program Reviews
- ☐ Incident Response Program Reviews
- ☐ Secure SDLC Development Reviews

XXX PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79

XXX PCI Report on Compliance Assessment or Gap Analysis Reporting

- ☐ HIPAA Scans in accordance with Federal Laws, Regulations, & NIST HIPAA Standards 800-66
- ☐ HIPAA Report on Compliance Assessment or Gap Analysis Reporting
- ☐ CJIS, CMS, IRS Compliance Security Assessments
- ☐ Other assessments to determine compliance with State, Federal Laws, Regulations and
  - Industry Recognized Standards
- ☐ Revalidation Reviews

**DELIVERABLES:**

The CDT Contractor will supply the following deliverables as defined in the contract with MCS under this SOW:

- Vulnerability Assessment (VA) Requirements Meetings
- Vulnerability Assessment (VA) Requirements Documents for each sub project

- VA Project Plan for each sub project
- Memorandum of Understanding or Rules of Engagement document for each sub project
- Project Roles & Responsibilities for each sub project
- Cost Estimate for each sub project
- Debrief meetings to review testing /finding results for each sub project
- Plan of Action & Milestones (POAM) for each sub project
- On-Going Metric Report for each sub project
- Project Staffing Structure
- Staffing Resumes / Background checks completed prior to work
- Report Standard Formats
- Practice Issue Management & Logging
- Practice Risk Management & Planning
- Practice Change Management
- Provide Work Activity Reporting (WAR) reports of work done

#### **ACCEPTANCE CRITERIA:**

Deliverables that are documents must:

- Be allowed no less than five (5) business days for review by the State of Michigan.
  - Be in electronic format, compatible with the State of Michigan software in accordance with Article 1.302 of original contract.
  - Provide a heading indicating document name on each page
  - Provide page number and "of pages" on each page.
  - Provide an "as of" date.
  - Indicate final and not draft status
  - Reflect correction of feedback provided by the State, regarding but not limited to, level of detail and clarifications.
  - Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager.
- The following requirements for final project acceptance apply:
- That all service deliverables defined in this purchase order Statement of Work have been completed and approved in writing by the Agency Manager, POC or DTMB Project Manager.
  - That debrief meetings with mitigations have been validated by a follow-up validation test to confirm required mitigations were successful.
  - Final acceptance of the named Agency Manager, or designated agency POC on the invoice for Vulnerability Assessment Services provided to the sub-project of the Michigan Department of Technology, Management and Budget (DTMB) Parking Lot Kiosk accepting all deliverables.

#### **PROJECT CONTROL AND REPORTS:**

- Status updates are made daily during scanning & reviews with primary point of contact onsite with the Contractor
- Monthly meetings to discuss the projects' work done, work that will be done with MCS Project Managers. Review of updated project plan's, deliverable statuses, schedules, issue log, risk log and change log will be completed at each meeting as necessary.
- Agency Manager or agency POC will review day to day deliverable items on an ongoing bases during on-site work visits. Performance evaluations will be on-going with status meeting updates and work.
- Milestones and deliverables built into project plans.
- Deliverable Quality Assurance monitoring on-going through contract duration.

#### **SPECIFIC DEPARTMENT STANDARDS:**

SOM DTMB technology standards and policies will apply to all work being done under this contract. Links

are provided in the original contract in section 1.103 Environment.

**Additional Security and Background Check Requirements:**

Contractor must present certification evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC).

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

**PAYMENT SCHEDULE:**

Payments will be made on the satisfactory acceptance of deliverables and milestones as defined in the VAS contract which is reflected in this change request SOW.

- Work performed is defined in detail in the attached CDT contractor requirements document with attached project plan and cost estimate for the Michigan Department of Technology, Management and Budget (DTMB) Parking Lot Kiosk.
- All VAS project(s) will be estimated and invoiced using the firm fixed price rate per category of employee or title type as quoted in the original VAS contract.
- Invoices will not be paid for more than this SOW estimated amount.
- Invoices will be paid in a timely matter when the projects' deliverables have been completed and the SOM agency Manager or designated agency POC has approved the invoice.
- The Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Extended purchasing program volume requirements are not included, unless stated otherwise.

DTMB will pay the CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project Agency & POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

**The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project**

**invoice submitted. Contractor invoices will be returned if a copy of the project requirements document, schedule, cost estimate and approved purchase order are not affixed to the invoice. The invoice will not exceed the approved purchase order amount for services.**

All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

**EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

**PROJECT CONTACTS:**

Sue Ann Lipinski  
DTMB Enterprise Project Management Office  
Operations Center/Secondary Complex  
Phone: (517) 636-4595  
Email: [LipinskiS@michigan.gov](mailto:LipinskiS@michigan.gov)

And

Jim Wilbur, CISSP, CEH, MCSE  
IT Security Analyst  
515 Westshire Drive  
DTMB - Michigan Cyber Security  
(517) 331-7510  
Email: [WilburJ1@michigan.gov](mailto:WilburJ1@michigan.gov)

And

Denise Simon  
DTMB/Office of Michigan Cyber Security  
Operations Center/Secondary Complex  
Phone: 517-636-5130  
email: [simond@michigan.gov](mailto:simond@michigan.gov)

And

Scott W. Hall  
Audit Compliance Group  
Department of Technology, Management and Budget / Infrastructure and Operations / Enterprise Services  
517.241.4255  
[HALLS9@MICHIGAN.GOV](mailto:HALLS9@MICHIGAN.GOV)

The SPOC for original overall contract:

Richard Reasner  
DTMB CIP -MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-373-3832  
[ReasnerR@michigan.gov](mailto:ReasnerR@michigan.gov)

Or a designee assigned from DTMB CIP - MCS

#### **AGENCY RESPONSIBILITIES:**

##### **Agency Manager- (Agency) and Point of Contact (POC)**

Each SOW will identify an Agency Manager and POC who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Agency Manager and POC will provide the following services:

- Provide and/or coordinate State facility access, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors if external host testing is needed
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverables/milestones
- Review and sign-off of invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Submit SOM Purchase Order requests for sub-project
- Arrange, schedule and facilitate State staff attendance at project meetings.
- Submit EASA, ISR forms or create Remedy tickets as required.

#### **LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

On site requested work locations are located at:

PRIMARY	
Michigan Cyber Security MiSoC	515 Westshire Dr. Lansing MI 48917
POTENTIAL / SECONDARY SITES	
Traverse Bay Hosting Center (TBHC)	Richard H Austin Building, 430 W Allegan St, Lansing, MI
Lake Superior Hosting Center (LSHC)	Secondary Complex – Dept. Of State, 706 Crowner Dr., Dimondale, MI
Co-Location Center	4200 60th Street SE Wyoming, MI 49548
Hannah Bldg.	John Hannah Bldg., 608 W Allegan St., Lansing, MI
Plus Branch Office	8158 Executive Court, Lansing Michigan

**External testing work locations must be identified in the approved SOW:**

Cyber Defense Technologies, LLC	1818 Library Street, Suite 500 Reston, VA 20190 703-967-4767  James T. Wright, CPT   CEH   CNDA   CICP Principal Security Engineer Vice President / Chief Technical Officer <a href="http://www.CyberDefenseTechnologies.com">www.CyberDefenseTechnologies.com</a> Twitter: @CDTLLC / @TiberiusWright (O) (571) 346-7598 / (C) (703) 945-6100 < <a href="mailto:james.wright@cyberdefensetechnologies.com">james.wright@cyberdefensetechnologies.com</a>
TrustedSec	14780 Pearl Road, Suite 300, Strongsville, OH 44136

#### EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.

No overtime will be authorized or paid.

The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

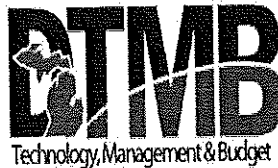
Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

This purchase order is a release from Contract Number 071B6600012. This purchase order, statement of work, and the terms and conditions of Contract Number 071B6600012 constitute the entire agreement between the State and the Contractor.

# APPENDIX A

## COST PER AGENCY

<u>APPLICATIONS</u>		<u>Costs</u>
DTMB KIOSK - 1 Full Scope Application	\$	10,124.59
MDOS - 6 Full Scope Applications	\$	60,747.51
MDOS - 2 Redirect Applications	\$	2,761.26
MDOS Total	\$	63,508.77
LARA - 6 Redirect Applications	\$	8,283.78
DIFS - 2 Redirect Applications	\$	2,761.26
DEQ - 1 Redirect Application	\$	1,380.63
DNR - 1 Redirect Application	\$	1,380.63
MDE - 1 Redirect Application	\$	1,380.63
MDOT - 2 Redirect Applications	\$	2,761.26
MSP - 3 Redirect Applications	\$	4,141.89
DCH/DHHS - 1 Redirect Application	\$	1,380.63
Treasury - 3 Redirect Applications	\$	4,141.89



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> PCI Penetration Test 2016 – 2017 Vulnerability Assessment Service's (VAS) Contract No. 071B6600012 – Enterprise PCI Compliance Project Sub-Project Change Request	<b>Period of Coverage:</b> March 1, 2017 – August 31, 2017
<b>Requesting Department:</b> DTMB CIP MCS / Department of Treasury and DTMB Michigan Cyber Security	<b>Date:</b> February 21, 2017
<b>Agency Project Manager:</b> ( PM: Sue Ann Lipinski, Treas Lead: Amy Kelos, MCS Leads: Jim Wilbur and Denise Simon)	<b>Phone:</b> 517-636-4595/ (517) 331-7510 / (517) 636-5130
<b>DTMB Project Manager:</b> Natalie Lake / Richard Reasner	<b>Phone:</b> 517-241-0344/517-241-4090

**SERVICES TO BE PROVIDED AND BACKGROUND:**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with Cyber Defense Technologies, LLC (CDT) to provide the State of Michigan with Vulnerability Assessment services to validate SOM information technology (IT) and environmental security posture on an ongoing bases.

Cyber Defense Technologies, LLC (CDT) and partner TrustedSec will provide different levels of IT security vulnerability assessment services that are defined in the Tasks listed below. The teaming expertise will cover many different IT security vulnerability testing categories or levels as possible.

This Statement of Work (SOW) is a change request SOW for modification to the original contract with Cyber Defense Technologies, # 071B6600012. The Michigan Department of Health of Human Services /Department of Community Health, Michigan Department of Education, Michigan Department of Licensing and Regulatory Affairs, Michigan Department of Insurance and Financial Services, Michigan Department of State, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Treasury, Michigan Department of Technology, Management and Budget (DTMB) Parking Lot KIOSK, & The Enterprise PCI Compliance Project 2016 - 2017 wishes to utilize the selected contract services from the tasks listed below and add funding to the original contract in the amount of \$101,245.85.

**PROJECT OBJECTIVE:**

- Eliminate or lessen the number of security threats/gaps
- Lower the risk of network and/or system attacks as security gaps are closed
- Protect CJIS, IRS, PCI, PII, and HIPAA information to the fullest extent possible
- Increase security awareness throughout all SOM agencies by providing security technical expertise to secure their business solutions and operations
- Increase SOM's security posture and protect all SOM assets
- Prevent attack recovery costs and protect SOM reputation

**SCOPE OF WORK:**

The CDT Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies
- providing cost estimates and proposed test schedules
- conducting security inspections, scans, penetration testing, and code reviews
- result reporting with remediation/mitigation suggestions
- validation testing after remediation/mitigation actions
- metric reporting of on-going security stature

See the attached CDT Requirements Document for the detailed VAS services being requested by Michigan Department of Health of Human Services /Department of Community Health, Michigan Department of Education, Michigan Department of Licensing and Regulatory Affairs, Michigan Department of Insurance and Financial Services, Michigan Department of State, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Treasury, Michigan Department of Technology, Management and Budget (DTMB) Parking Lot KIOSK, & The Enterprise PCI Compliance Project 2016 – 2017.

#### TASKS:

The full technical scope of VAS contracted services is listed below and the Michigan Department of Health of Human Services /Department of Community Health, Michigan Department of Education, Michigan Department of Licensing and Regulatory Affairs, Michigan Department of Insurance and Financial Services, Michigan Department of State, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Treasury, Michigan Department of Technology, Management and Budget (DTMB) Parking Lot KIOSK, & The Enterprise PCI Compliance Project 2016 – 2017 will utilize those items check marked from this listing. All VAS sub-projects may use one or a combination of the following:

- ☐ External Network Vulnerability Penetration Testing
- ☐ Internal Network Vulnerability Penetration Testing
- ☐ Web Application / Database Penetration Testing
- ☐ Internal / External Trusted Cloud Assessments
- ☐ DMZ or Network Architecture Testing / Reviews
- ☐ Wireless Network Penetration Testing
- ☐ Virtual Infrastructure Security Penetration Testing
- ☐ Server Configuration Scanning / Reviews
- ☐ Firewall and Router Configuration Reviews and Testing
- ☐ VPN Configuration Reviews and Testing
- ☐ Voice over IP Review and Testing
- ☐ Social Engineering Testing
- ☐ Physical Security Inspections and Testing
- ☐ Software Source Code Reviews and Testing
- ☐ Application threat Modeling and Design Reviews
- ☐ Information Security Policy and Procedure Reviews
- ☐ Information Security Risk Assessment Reviews
- ☐ Security Awareness Program Reviews
- ☐ Incident Response Program Reviews
- ☐ Secure SDLC Development Reviews
- ☐ PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79
- ☐ PCI Report on Compliance Assessment or Gap Analysis Reporting

- ☐ HIPAA Scans in accordance with Federal Laws, Regulations, & NIST HIPAA Standards 800-66
- ☐ HIPAA Report on Compliance Assessment or Gap Analysis Reporting
- ☐ CJIS, CMS, IRS Compliance Security Assessments
- ☐ Other assessments to determine compliance with State, Federal Laws, Regulations and
  - Industry Recognized Standards
- ☐ Revalidation Reviews

#### **DELIVERABLES:**

The CDT Contractor will supply the following deliverables as defined in the contract with MCS under this SOW:

- Vulnerability Assessment (VA) Requirements Meetings
- Vulnerability Assessment (VA) Requirements Documents for each sub project
- VA Project Plan for each sub project
- Memorandum of Understanding or Rules of Engagement document for each sub project
- Project Roles & Responsibilities for each sub project
- Cost Estimate for each sub project
- Debrief meetings to review testing /finding results for each sub project
- Plan of Action & Milestones (POAM) for each sub project
- On-Going Metric Report for each sub project
- Project Staffing Structure
- Staffing Resumes / Background checks completed prior to work
- Report Standard Formats
- Practice Issue Management & Logging
- Practice Risk Management & Planning
- Practice Change Management
- Provide Work Activity Reporting (WAR) reports of work done

#### **ACCEPTANCE CRITERIA:**

Deliverables that are documents must:

- Be allowed no less than five (5) business days for review by the State of Michigan.
  - Be in electronic format, compatible with the State of Michigan software in accordance with Article 1.302 of original contract.
  - Provide a heading indicating document name on each page
  - Provide page number and "of pages" on each page.
  - Provide an "as of" date.
  - Indicate final and not draft status
  - Reflect correction of feedback provided by the State, regarding but not limited to, level of detail and clarifications.
  - Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager.
- The following requirements for final project acceptance apply:
- That all service deliverables defined in this purchase order Statement of Work have been completed and approved in writing by the Agency Manager, POC or DTMB Project Manager.
  - That debrief meetings with mitigations have been validated by a follow-up validation test to confirm required mitigations were successful.
  - Final acceptance of the named Agency Manager, or designated agency POC on the invoice for Vulnerability Assessment Services provided to the sub-project of the Michigan Department of Health of Human Services /Department of Community Health, Michigan Department of

Education, Michigan Department of Licensing and Regulatory Affairs, Michigan Department of Insurance and Financial Services, Michigan Department of State, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Treasury, Michigan Department of Technology, Management and Budget (DTMB) Parking Lot KIOSK, & The Enterprise PCI Compliance Project 2016 - 2017 accepting all deliverables.

#### **PROJECT CONTROL AND REPORTS:**

- Status updates are made daily during scanning & reviews with primary point of contact onsite with the Contractor
- Monthly meetings to discuss the projects' work done, work that will be done with MCS Project Managers. Review of updated project plan's, deliverable status's, schedules, issue log, risk log and change log will be completed at each meeting as necessary.
- Agency Manager or agency POC will review day to day deliverable items on an ongoing bases during on-site work visits. Performance evaluations will be on-going with status meeting updates and work.
- Milestones and deliverables built into project plan's.
- Deliverable Quality Assurance monitoring on-going through contract duration.

#### **SPECIFIC DEPARTMENT STANDARDS:**

SOM DTMB technology standards and policies will apply to all work being done under this contract. Links are provided in the original contract in section 1.103 Environment.

#### **Additional Security and Background Check Requirements:**

Contractor must present certification evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC).

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

#### **PAYMENT SCHEDULE:**

Payments will be made on the satisfactory acceptance of deliverables and milestones as defined in the VAS contract which is reflected in this change request SOW.

- Work performed is defined in detail in the attached CDT contractor requirements document with attached project plan and cost estimate for this the Michigan Department of Health of Human Services /Department of Community Health, Michigan Department of Education, Michigan Department of Licensing and Regulatory Affairs, Michigan Department of Insurance and Financial Services, Michigan Department of State, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Treasury, Michigan Department of Technology, Management and Budget (DTMB) Parking Lot KIOSK, & The Enterprise PCI Compliance Project 2016 – 2017.
- All VAS project(s) will be estimated and invoiced using the firm fixed price rate per category of employee or title type as quoted in the original VAS contract.
- Invoices will not be paid for more than this SOW estimated amount.

- Invoices will be paid in a timely matter when the projects' deliverables have been completed and the SOM agency Manager or designated agency POC has approved the invoice.
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Extended purchasing program volume requirements are not included, unless stated otherwise.

DTMB will pay the CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project Agency & POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
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- Total invoice price; and
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**The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project invoice submitted. Contractor invoices will be returned if a copy of the project requirements document, schedule, cost estimate and approved purchase order are not affixed to the invoice. The invoice will not exceed the approved purchase order amount for services.**

All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

#### **EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

#### **PROJECT CONTACTS:**

Sue Ann Lipinski  
DTMB Enterprise Project Management Office

Operations Center/Secondary Complex  
Phone: (517) 636-4595  
Email: [LipinskiS@michigan.gov](mailto:LipinskiS@michigan.gov)

And

Jim Wilbur, CISSP, CEH, MCSE  
IT Security Analyst  
515 Westshire Drive  
DTMB - Michigan Cyber Security  
(517) 331-7510  
Email: [WilburJ1@michigan.gov](mailto:WilburJ1@michigan.gov)

And

Denise Simon  
DTMB/Office of Michigan Cyber Security  
Operations Center/Secondary Complex  
Phone: 517-636-5130  
email: [simond@michigan.gov](mailto:simond@michigan.gov)

And

Scott W. Hall  
Audit Compliance Group  
Department of Technology, Management and Budget / Infrastructure and Operations / Enterprise Services  
517.241.4255  
[HALLS9@MICHIGAN.GOV](mailto:HALLS9@MICHIGAN.GOV)

The SPOC for original overall contract:

Richard Reasner  
DTMB CIP -MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-373-3832  
[ReasnerR@michigan.gov](mailto:ReasnerR@michigan.gov)

Or a designee assigned from DTMB CIP - MCS

#### **AGENCY RESPONSIBILITIES:**

##### **Agency Manager- (Agency) and Point of Contact (POC)**

Each SOW will identify a Agency Manager and POC who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Agency Manager and POC will provide the following services:

- Provide and/or coordinate State facility access, as needed
- Coordinate the State resources necessary for the project
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- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverables/milestones

- Review and sign-off of invoices
- Resolve project issues
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- Document and archive all important project decisions
- Submit SOM Purchase Order requests for sub-project
- Arrange, schedule and facilitate State staff attendance at project meetings.
- Submit EASA, ISR forms or create Remedy tickets as required.

**LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

On site requested work locations are located at:

<b>PRIMARY</b>	
Michigan Cyber Security MiSoC	515 Westshire Dr. Lansing MI 48917
<b>POTENTIAL / SECONDARY SITES</b>	
Traverse Bay Hosting Center (TBHC)	Richard H Austin Building, 430 W Allegan St, Lansing, MI
Lake Superior Hosting Center (LSHC)	Secondary Complex – Dept. Of State, 706 Crowner Dr., Dimondale, MI
Co-Location Center	4200 60th Street SE Wyoming, MI 49548
Hannah Bldg.	John Hannah Bldg., 608 W Allegan St., Lansing, MI
Plus Branch Office	8158 Executive Court, Lansing Michigan

**External testing work locations must be identified in the approved SOW:**

Cyber Defense Technologies, LLC	1818 Library Street, Suite 500 Reston, VA 20190 703-967-4767  James T. Wright, CPT   CEH   CNDA   CICP Principal Security Engineer Vice President / Chief Technical Officer <a href="http://www.CyberDefenseTechnologies.com">www.CyberDefenseTechnologies.com</a> Twitter: @CDTLLC / @TiberiusWright (O) (571) 346-7598 / (C) (703) 945-6100 <a href="mailto:james.wright@cyberdefensetechnologies.com">&lt;james.wright@cyberdefensetechnologies.com</a>
---------------------------------	--

TrustedSec	14780 Pearl Road, Suite 300, Strongsville, OH 44136
------------	--

**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.

No overtime will be authorized or paid.

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Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

This purchase order is a release from Contract Number 071B6600012. This purchase order, statement of work, and the terms and conditions of Contract Number 071B6600012 constitute the entire agreement between the State and the Contractor.

## APPENDIX A

### VAS Project Cost Table

#### Task 16-008 – PCI Penetration Test (without A-EP servers)

Note: Project Includes Retests

Staffing Category	Total Hours	Hourly Rate	Total Cost
Account Manager	78	\$124.78	\$9,732.84
SME Security Technician With Greater Than 10 Years of Information Security Vulnerability Assessment-Related Experience	28	\$144.41	\$4,043.48
Sr. Security Technician With Greater Than 7 Years to 10 Years of Information Security – Related Experience	495	\$125.15	\$61,949.25
Mid-Level Security Technician With 3 Years to Less than 7 Years Information Security-Related Experience	222	\$105.52	\$23,425.44
Jr. Security Technician With Less Than 3 Years Information Security-Related Experience	23	\$91.08	\$2,094.84
Grand Total Project Cost	846		<b>\$101,245.85</b>

SEE TASK AND RESOURCE BREAKOUT BELOW:

## TASK AND RESOURCE BREAKOUT

TASK	Hours by LCAT					Totals by Task	
	Acct Manager	SME	Sr Sec Tech	Mid Sec Tech	Jr Sec Tech	Hours by Task	Total Task Cost
LCAT Rate	\$124.78	\$144.41	\$125.15	\$105.52	\$91.08		
External Penetration Testing	14.0	0.0	81.0	35.0	23.0	153.0	\$17,672.11
Internal Penetration Testing	37.0	0.0	253.0	112.0	0.0	402.0	\$48,098.05
Application Penetration Testing	27.0	28.0	161.0	75.0	0.0	291.0	\$35,475.69
Total Hours by LCAT	78.0	28.0	495.0	222.0	23.0	846.0	
Total Cost by LCAT	\$9,732.84	\$4,043.48	\$61,949.25	\$23,425.44	\$2,094.84		<b>\$101,245.85</b>



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> PCI Penetration Test 2016 – 2017 Vulnerability Assessment Service's (VAS) Contract No. 071B6600012 – Enterprise PCI Compliance Project Sub-Project Change Request	<b>Period of Coverage:</b> March 1, 2017 – August 31, 2017
<b>Requesting Department:</b> DTMB CIP MCS / Department of Treasury and DTMB Michigan Cyber Security	<b>Date:</b> February 21, 2017
<b>Agency Project Manager:</b> ( PM: Sue Ann Lipinski, Treas Lead: Amy Kelos, MCS Leads: Jim Wilbur and Denise Simon)	<b>Phone:</b> 517-636-4595/ (517) 331-7510 / (517) 636-5130
<b>DTMB Project Manager:</b> Natalie Lake / Richard Reasner	<b>Phone:</b> 517-241-0344/517-241-4090

**SERVICES TO BE PROVIDED AND BACKGROUND:**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with Cyber Defense Technologies, LLC (CDT) to provide the State of Michigan with Vulnerability Assessment services to validate SOM information technology (IT) and environmental security posture on an ongoing bases.

Cyber Defense Technologies, LLC (CDT) and partner TrustedSec will provide different levels of IT security vulnerability assessment services that are defined in the Tasks listed below. The teaming expertise will cover many different IT security vulnerability testing categories or levels as possible.

This Statement of Work (SOW) is a change request SOW for modification to the original contract with Cyber Defense Technologies, # 071B6600012. The Michigan Department of Health of Human Services /Department of Community Health, Michigan Department of Education, Michigan Department of Licensing and Regulatory Affairs, Michigan Department of Insurance and Financial Services, Michigan Department of State, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Treasury, Michigan Department of Technology, Management and Budget (DTMB) Parking Lot KIOSK, & The Enterprise PCI Compliance Project 2016 - 2017 wishes to utilize the selected contract services from the tasks listed below and add funding to the original contract in the amount of \$101,245.85.

**PROJECT OBJECTIVE:**

- Eliminate or lesson the number of security threats/gaps
- Lower the risk of network and/or system attacks as security gaps are closed
- Protect CJIS, IRS, PCI, PII, and HIPAA information to the fullest extent possible
- Increase security awareness throughout all SOM agencies by providing security technical expertise to secure their business solutions and operations
- Increase SOM's security posture and protect all SOM assets
- Prevent attack recovery costs and protect SOM reputation

**SCOPE OF WORK:**

The CDT Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies
- providing cost estimates and proposed test schedules
- conducting security inspections, scans, penetration testing, and code reviews
- result reporting with remediation/mitigation suggestions
- validation testing after remediation/mitigation actions
- metric reporting of on-going security stature

See the attached CDT Requirements Document for the detailed VAS services being requested by Michigan Department of Health of Human Services /Department of Community Health, Michigan Department of Education, Michigan Department of Licensing and Regulatory Affairs, Michigan Department of Insurance and Financial Services, Michigan Department of State, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Treasury, Michigan Department of Technology, Management and Budget (DTMB) Parking Lot KIOSK, & The Enterprise PCI Compliance Project 2016 – 2017.

#### TASKS:

The full technical scope of VAS contracted services is listed below and the Michigan Department of Health of Human Services /Department of Community Health, Michigan Department of Education, Michigan Department of Licensing and Regulatory Affairs, Michigan Department of Insurance and Financial Services, Michigan Department of State, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Treasury, Michigan Department of Technology, Management and Budget (DTMB) Parking Lot KIOSK, & The Enterprise PCI Compliance Project 2016 – 2017 will utilize those items check marked from this listing. All VAS sub-projects may use one or a combination of the following:

- ☐ External Network Vulnerability Penetration Testing
- ☐ Internal Network Vulnerability Penetration Testing
- ☐ Web Application / Database Penetration Testing
- ☐ Internal / External Trusted Cloud Assessments
- ☐ DMZ or Network Architecture Testing / Reviews
- ☐ Wireless Network Penetration Testing
- ☐ Virtual Infrastructure Security Penetration Testing
- ☐ Server Configuration Scanning / Reviews
- ☐ Firewall and Router Configuration Reviews and Testing
- ☐ VPN Configuration Reviews and Testing
- ☐ Voice over IP Review and Testing
- ☐ Social Engineering Testing
- ☐ Physical Security Inspections and Testing
- ☐ Software Source Code Reviews and Testing
- ☐ Application threat Modeling and Design Reviews
- ☐ Information Security Policy and Procedure Reviews
- ☐ Information Security Risk Assessment Reviews
- ☐ Security Awareness Program Reviews
- ☐ Incident Response Program Reviews
- ☐ Secure SDLC Development Reviews
- ☐ PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79
- ☐ PCI Report on Compliance Assessment or Gap Analysis Reporting

- ☐ HIPAA Scans in accordance with Federal Laws, Regulations, & NIST HIPAA Standards 800-66
- ☐ HIPAA Report on Compliance Assessment or Gap Analysis Reporting
- ☐ CJIS, CMS, IRS Compliance Security Assessments
- ☐ Other assessments to determine compliance with State, Federal Laws, Regulations and
  - Industry Recognized Standards
- ☐ Revalidation Reviews

#### **DELIVERABLES:**

The CDT Contractor will supply the following deliverables as defined in the contract with MCS under this SOW:

- Vulnerability Assessment (VA) Requirements Meetings
- Vulnerability Assessment (VA) Requirements Documents for each sub project
- VA Project Plan for each sub project
- Memorandum of Understanding or Rules of Engagement document for each sub project
- Project Roles & Responsibilities for each sub project
- Cost Estimate for each sub project
- Debrief meetings to review testing /finding results for each sub project
- Plan of Action & Milestones (POAM) for each sub project
- On-Going Metric Report for each sub project
- Project Staffing Structure
- Staffing Resumes / Background checks completed prior to work
- Report Standard Formats
- Practice Issue Management & Logging
- Practice Risk Management & Planning
- Practice Change Management
- Provide Work Activity Reporting (WAR) reports of work done

#### **ACCEPTANCE CRITERIA:**

Deliverables that are documents must:

- Be allowed no less than five (5) business days for review by the State of Michigan.
  - Be in electronic format, compatible with the State of Michigan software in accordance with Article 1.302 of original contract.
  - Provide a heading indicating document name on each page
  - Provide page number and "of pages" on each page.
  - Provide an "as of" date.
  - Indicate final and not draft status
  - Reflect correction of feedback provided by the State, regarding but not limited to, level of detail and clarifications.
  - Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager.
- The following requirements for final project acceptance apply:
- That all service deliverables defined in this purchase order Statement of Work have been completed and approved in writing by the Agency Manager, POC or DTMB Project Manager.
  - That debrief meetings with mitigations have been validated by a follow-up validation test to confirm required mitigations were successful.
  - Final acceptance of the named Agency Manager, or designated agency POC on the invoice for Vulnerability Assessment Services provided to the sub-project of the Michigan Department of Health of Human Services /Department of Community Health, Michigan Department of

Education, Michigan Department of Licensing and Regulatory Affairs, Michigan Department of Insurance and Financial Services, Michigan Department of State, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Treasury, Michigan Department of Technology, Management and Budget (DTMB) Parking Lot KIOSK, & The Enterprise PCI Compliance Project 2016 - 2017 accepting all deliverables.

#### **PROJECT CONTROL AND REPORTS:**

- Status updates are made daily during scanning & reviews with primary point of contact onsite with the Contractor
- Monthly meetings to discuss the projects' work done, work that will be done with MCS Project Managers. Review of updated project plan's, deliverable status's, schedules, issue log, risk log and change log will be completed at each meeting as necessary.
- Agency Manager or agency POC will review day to day deliverable items on an ongoing bases during on-site work visits. Performance evaluations will be on-going with status meeting updates and work.
- Milestones and deliverables built into project plan's.
- Deliverable Quality Assurance monitoring on-going through contract duration.

#### **SPECIFIC DEPARTMENT STANDARDS:**

SOM DTMB technology standards and policies will apply to all work being done under this contract. Links are provided in the original contract in section 1.103 Environment.

#### **Additional Security and Background Check Requirements:**

Contractor must present certification evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC).

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

#### **PAYMENT SCHEDULE:**

Payments will be made on the satisfactory acceptance of deliverables and milestones as defined in the VAS contract which is reflected in this change request SOW.

- Work performed is defined in detail in the attached CDT contractor requirements document with attached project plan and cost estimate for this the Michigan Department of Health of Human Services /Department of Community Health, Michigan Department of Education, Michigan Department of Licensing and Regulatory Affairs, Michigan Department of Insurance and Financial Services, Michigan Department of State, Michigan Department of Environmental Quality, Michigan Department of Transportation, Michigan State Police, Michigan Department of Natural Resources, Michigan Department of Treasury, Michigan Department of Technology, Management and Budget (DTMB) Parking Lot KIOSK, & The Enterprise PCI Compliance Project 2016 – 2017.
- All VAS project(s) will be estimated and invoiced using the firm fixed price rate per category of employee or title type as quoted in the original VAS contract.
- Invoices will not be paid for more than this SOW estimated amount.

- Invoices will be paid in a timely matter when the projects' deliverables have been completed and the SOM agency Manager or designated agency POC has approved the invoice.
- The Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Extended purchasing program volume requirements are not included, unless stated otherwise.

DTMB will pay the CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project Agency & POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

**The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project invoice submitted. Contractor invoices will be returned if a copy of the project requirements document, schedule, cost estimate and approved purchase order are not affixed to the invoice. The invoice will not exceed the approved purchase order amount for services.**

All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

#### **EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

#### **PROJECT CONTACTS:**

Sue Ann Lipinski  
DTMB Enterprise Project Management Office

Operations Center/Secondary Complex  
Phone: (517) 636-4595  
Email: [LipinskiS@michigan.gov](mailto:LipinskiS@michigan.gov)

And

Jim Wilbur, CISSP, CEH, MCSE  
IT Security Analyst  
515 Westshire Drive  
DTMB - Michigan Cyber Security  
(517) 331-7510  
Email: [WilburJ1@michigan.gov](mailto:WilburJ1@michigan.gov)

And

Denise Simon  
DTMB/Office of Michigan Cyber Security  
Operations Center/Secondary Complex  
Phone: 517-636-5130  
email: [simond@michigan.gov](mailto:simond@michigan.gov)

And

Scott W. Hall  
Audit Compliance Group  
Department of Technology, Management and Budget / Infrastructure and Operations / Enterprise Services  
517.241.4255  
[HALLS9@MICHIGAN.GOV](mailto:HALLS9@MICHIGAN.GOV)

The SPOC for original overall contract:

Richard Reasner  
DTMB CIP -MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-373-3832  
[ReasnerR@michigan.gov](mailto:ReasnerR@michigan.gov)

Or a designee assigned from DTMB CIP - MCS

#### **AGENCY RESPONSIBILITIES:**

##### **Agency Manager- (Agency) and Point of Contact (POC)**

Each SOW will identify a Agency Manager and POC who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Agency Manager and POC will provide the following services:

- Provide and/or coordinate State facility access, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors if external host testing is needed
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverables/milestones

- Review and sign-off of invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Submit SOM Purchase Order requests for sub-project
- Arrange, schedule and facilitate State staff attendance at project meetings.
- Submit EASA, ISR forms or create Remedy tickets as required.

#### LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

On site requested work locations are located at:

PRIMARY	
Michigan Cyber Security MiSoC	515 Westshire Dr. Lansing MI 48917
POTENTIAL / SECONDARY SITES	
Traverse Bay Hosting Center (TBHC)	Richard H Austin Building, 430 W Allegan St, Lansing, MI
Lake Superior Hosting Center (LSHC)	Secondary Complex – Dept. Of State, 706 Crowner Dr., Dimondale, MI
Co-Location Center	4200 60th Street SE Wyoming, MI 49548
Hannah Bldg.	John Hannah Bldg., 608 W Allegan St., Lansing, MI
Plus Branch Office	8158 Executive Court, Lansing Michigan

#### External testing work locations must be identified in the approved SOW:

Cyber Defense Technologies, LLC	1818 Library Street, Suite 500 Reston, VA 20190 703-967-4767  James T. Wright, CPT   CEH   CNDA   CICP Principal Security Engineer Vice President / Chief Technical Officer <a href="http://www.CyberDefenseTechnologies.com">www.CyberDefenseTechnologies.com</a> Twitter: @CDTLLC / @TiberiusWright (O) (571) 346-7598 / (C) (703) 945-6100 <a href="mailto:james.wright@cyberdefensetechnologies.com">&lt;james.wright@cyberdefensetechnologies.com</a>
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TrustedSec	14780 Pearl Road, Suite 300, Strongsville, OH 44136
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**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.

No overtime will be authorized or paid.

The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

This purchase order is a release from Contract Number 071B6600012. This purchase order, statement of work, and the terms and conditions of Contract Number 071B6600012 constitute the entire agreement between the State and the Contractor.

## APPENDIX A

### VAS Project Cost Table

#### Task 16-008 – PCI Penetration Test (without A-EP servers)

Note: Project Includes Retests

Staffing Category	Total Hours	Hourly Rate	Total Cost
Account Manager	78	\$124.78	\$9,732.84
SME Security Technician With Greater Than 10 Years of Information Security Vulnerability Assessment-Related Experience	28	\$144.41	\$4,043.48
Sr. Security Technician With Greater Than 7 Years to 10 Years of Information Security – Related Experience	495	\$125.15	\$61,949.25
Mid-Level Security Technician With 3 Years to Less than 7 Years Information Security-Related Experience	222	\$105.52	\$23,425.44
Jr. Security Technician With Less Than 3 Years Information Security-Related Experience	23	\$91.08	\$2,094.84
Grand Total Project Cost	846		<b>\$101,245.85</b>

SEE TASK AND RESOURCE BREAKOUT BELOW:

## TASK AND RESOURCE BREAKOUT

TASK	Hours by LCAT					Totals by Task	
	Acct Manager	SME	Sr Sec Tech	Mid Sec Tech	Jr Sec Tech	Hours by Task	Total Task Cost
LCAT Rate	\$124.78	\$144.41	\$125.15	\$105.52	\$91.08		
External Penetration Testing	14.0	0.0	81.0	35.0	23.0	153.0	\$17,672.11
Internal Penetration Testing	37.0	0.0	253.0	112.0	0.0	402.0	\$48,098.05
Application Penetration Testing	27.0	28.0	161.0	75.0	0.0	291.0	\$35,475.69
Total Hours by LCAT	78.0	28.0	495.0	222.0	23.0	846.0	
Total Cost by LCAT	\$9,732.84	\$4,043.48	\$61,949.25	\$23,425.44	\$2,094.84		<b>\$101,245.85</b>



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> PCI Penetration Test 2016 – 2017 Vulnerability Assessment Service's (VAS) Contract No. 071B6600012 – Enterprise PCI Compliance Project Sub-Project Change Request	<b>Period of Coverage:</b> March 1, 2017 – July 31, 2017
<b>Requesting Department:</b> DTMB CIP MCS / Michigan State Police	<b>Date:</b> February 21, 2017
<b>Agency Project Manager:</b>  ( PM: Sue Ann Lipinski, Treas Lead: Amy Kelso, MCS Leads: Jim Wilbur and Denise Simon)	<b>Phone:</b> 517-636-4595/ (517) 331-7510 / (517) 636-5130
<b>DTMB Project Manager:</b> Natalie Lake / Richard Reasner	<b>Phone:</b> 517-241-0344/517-241-4090

**SERVICES TO BE PROVIDED AND BACKGROUND:**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with Cyber Defense Technologies, LLC (CDT) to provide the State of Michigan with Vulnerability Assessment services to validate SOM information technology (IT) and environmental security posture on an ongoing bases.

Cyber Defense Technologies, LLC (CDT) and partner TrustedSec will provide different levels of IT security vulnerability assessment services that are defined in the Tasks listed below. The teaming expertise will cover many different IT security vulnerability testing categories or levels as possible.

This Statement of Work (SOW) is a change request SOW for modification to the original contract with Cyber Defense Technologies, # 071B6600012. The Michigan State Police wishes to utilize the selected contract services from the tasks listed below and add funding to the original contract in the amount of \$4,141.89.

**PROJECT OBJECTIVE:**

- Eliminate or lesson the number of security threats/gaps
- Lower the risk of network and/or system attacks as security gaps are closed
- Protect CJIS, IRS, PCI, PII, and HIPAA information to the fullest extent possible
- Increase security awareness throughout all SOM agencies by providing security technical expertise to secure their business solutions and operations
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- Prevent attack recovery costs and protect SOM reputation

**SCOPE OF WORK:**

The CDT Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies
- providing cost estimates and proposed test schedules
- conducting security inspections, scans, penetration testing, and code reviews
- result reporting with remediation/mitigation suggestions
- validation testing after remediation/mitigation actions

- metric reporting of on-going security stature

## TASKS:

The full technical scope of VAS contracted services is listed below. The Michigan State Police will utilize those items check marked from this listing. All VAS sub-projects may use one or a combination of the following:

- XX External Network Vulnerability Penetration Testing
- XX Internal Network Vulnerability Penetration Testing
- ☐ Web Application / Database Penetration Testing
- ☐ Internal / External Trusted Cloud Assessments
- ☐ DMZ or Network Architecture Testing / Reviews
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- ☐ Secure SDLC Development Reviews
- XX PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79
- XX PCI Report on Compliance Assessment or Gap Analysis Reporting
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- ☐ CJIS, CMS, IRS Compliance Security Assessments
- ☐ Other assessments to determine compliance with State, Federal Laws, Regulations and
  - Industry Recognized Standards
- ☐ Revalidation Reviews

## DELIVERABLES:

The CDT Contractor will supply the following deliverables as defined in the contract with MCS under this SOW:

- Vulnerability Assessment (VA) Requirements Meetings
- Vulnerability Assessment (VA) Requirements Documents for each sub project

- VA Project Plan for each sub project
- Memorandum of Understanding or Rules of Engagement document for each sub project
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- Plan of Action & Milestones (POAM) for each sub project
- On-Going Metric Report for each sub project
- Project Staffing Structure
- Staffing Resumes / Background checks completed prior to work
- Report Standard Formats
- Practice Issue Management & Logging
- Practice Risk Management & Planning
- Practice Change Management
- Provide Work Activity Reporting (WAR) reports of work done

#### **ACCEPTANCE CRITERIA:**

Deliverables that are documents must:

- Be allowed no less than five (5) business days for review by the State of Michigan.
  - Be in electronic format, compatible with the State of Michigan software in accordance with Article 1.302 of original contract.
  - Provide a heading indicating document name on each page
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  - Reflect correction of feedback provided by the State, regarding but not limited to, level of detail and clarifications.
  - Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager.
- The following requirements for final project acceptance apply:
- That all service deliverables defined in this purchase order Statement of Work have been completed and approved in writing by the Agency Manager, POC or DTMB Project Manager.
  - That debrief meetings with mitigations have been validated by a follow-up validation test to confirm required mitigations were successful.
  - Final acceptance of the named Agency Manager, or designated agency POC on the invoice for Vulnerability Assessment Services provided to the sub-project of the Michigan State Police accepting all deliverables.

#### **PROJECT CONTROL AND REPORTS:**

- Status updates are made daily during scanning & reviews with primary point of contact onsite with the Contractor
- Monthly meetings to discuss the projects' work done, work that will be done with MCS Project Managers. Review of updated project plan's, deliverable status's, schedules , issue log, risk log and change log will be completed at each meeting as necessary.
- Agency Manager or agency POC will review day to day deliverable items on an ongoing bases during on-site work visits. Performance evaluations will be on-going with status meeting updates and work.
- Milestones and deliverables built into project plan's.
- Deliverable Quality Assurance monitoring on-going through contract duration.

#### **SPECIFIC DEPARTMENT STANDARDS:**

SOM DTMB technology standards and policies will apply to all work being done under this contract. Links

are provided in the original contract in section 1.103 Environment.

#### **Additional Security and Background Check Requirements:**

Contractor must present certification evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC).

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

#### **PAYMENT SCHEDULE:**

Payments will be made on the satisfactory acceptance of deliverables and milestones as defined in the VAS contract which is reflected in this change request SOW.

- Work performed is defined in detail in the attached CDT contractor requirements document with attached project plan and cost estimate for this Michigan State Police project.
- All VAS project(s) will be estimated and invoiced using the firm fixed price rate per category of employee or title type as quoted in the original VAS contract.
- Invoices will not be paid for more than this SOW estimated amount.
- Invoices will be paid in a timely matter when the projects' deliverables have been completed and the SOM agency Manager or designated agency POC has approved the invoice.
- The Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Extended purchasing program volume requirements are not included, unless stated otherwise.

DTMB will pay the CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project Agency & POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

**The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project invoice submitted. Contractor invoices will be returned if a copy of the project requirements**

**document, schedule, cost estimate and approved purchase order are not affixed to the invoice.  
The invoice will not exceed the approved purchase order amount for services.**

All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

**EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

**PROJECT CONTACTS:**

Sue Ann Lipinski  
DTMB Enterprise Project Management Office  
Operations Center/Secondary Complex  
Phone: (517) 636-4595  
Email: [LipinskiS@michigan.gov](mailto:LipinskiS@michigan.gov)

And

Jim Wilbur, CISSP, CEH, MCSE  
IT Security Analyst  
515 Westshire Drive  
DTMB - Michigan Cyber Security  
(517) 331-7510  
Email: [WilburJ1@michigan.gov](mailto:WilburJ1@michigan.gov)

And

Denise Simon  
DTMB/Office of Michigan Cyber Security  
Operations Center/Secondary Complex  
Phone: 517-636-5130  
email: [simond@michigan.gov](mailto:simond@michigan.gov)

And

Scott W. Hall  
Audit Compliance Group  
Department of Technology, Management and Budget / Infrastructure and Operations / Enterprise Services  
517.241.4255  
[HALLS9@MICHIGAN.GOV](mailto:HALLS9@MICHIGAN.GOV)

The SPOC for original overall contract:

Richard Reasner  
DTMB CIP -MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-373-3832  
[ReasnerR@michigan.gov](mailto:ReasnerR@michigan.gov)

Or a designee assigned from DTMB CIP - MCS

#### AGENCY RESPONSIBILITIES:

##### **Agency Manager- (Agency) and Point of Contact (POC)**

Each SOW will identify a Agency Manager and POC who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Agency Manager and POC will provide the following services:

- Provide and/or coordinate State facility access, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors if external host testing is needed
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverables/milestones
- Review and sign-off of invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Submit SOM Purchase Order requests for sub-project
- Arrange, schedule and facilitate State staff attendance at project meetings.
- Submit EASA, ISR forms or create Remedy tickets as required.

#### LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

On site requested work locations are located at:

PRIMARY	
Michigan Cyber Security MiSoC	515 Westshire Dr. Lansing MI 48917
POTENTIAL / SECONDARY SITES	
Traverse Bay Hosting Center (TBHC)	Richard H Austin Building, 430 W Allegan St, Lansing, MI
Lake Superior Hosting Center (LSHC)	Secondary Complex – Dept. Of State, 706 Crowner Dr., Dimondale, MI
Co-Location Center	4200 60th Street SE Wyoming, MI 49548
Hannah Bldg.	John Hannah Bldg., 608 W Allegan St., Lansing, MI
Plus Branch Office	8158 Executive Court, Lansing Michigan

External testing work locations must be identified in the approved SOW:

Cyber Defense Technologies, LLC	1818 Library Street, Suite 500 Reston, VA 20190 703-967-4767  James T. Wright, CPT   CEH   CNDA   CICP Principal Security Engineer Vice President / Chief Technical Officer <a href="http://www.CyberDefenseTechnologies.com">www.CyberDefenseTechnologies.com</a> Twitter: @CDTLLC / @TiberiusWright (O) (571) 346-7598 / (C) (703) 945-6100 <a href="mailto:james.wright@cyberdefensetechnologies.com">&lt;james.wright@cyberdefensetechnologies.com</a>
TrustedSec	14780 Pearl Road, Suite 300, Strongsville, OH 44136

#### EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.

No overtime will be authorized or paid.

The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

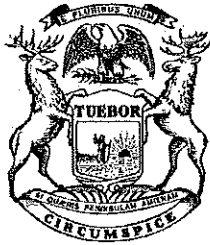
Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

This purchase order is a release from Contract Number 071B6600012. This purchase order, statement of work, and the terms and conditions of Contract Number 071B6600012 constitute the entire agreement between the State and the Contractor.

## APPENDIX A

### Cost Per Agency

APPLICATIONS		Costs
DTMB KIOSK - 1 Full Scope Application	\$	10,124.59
MDOS - 6 Full Scope Applications	\$	60,747.51
MDOS - 2 Redirect Applications	\$	2,761.26
MDOS Total	\$	63,508.77
LARA - 6 Redirect Applications	\$	8,283.78
DIFS - 2 Redirect Applications	\$	2,761.26
DEQ - 1 Redirect Application	\$	1,380.63
DNR - 1 Redirect Application	\$	1,380.63
MDE - 1 Redirect Application	\$	1,380.63
MDOT - 1 Redirect Application	\$	1,380.63
MSP - 3 Redirect Applications	\$	4,141.89
DCH/DHHS - 1 Redirect Application	\$	1,380.63
Treasury - 3 Redirect Applications	\$	4,141.89



# STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget  
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
P.O. BOX 30026 LANSING, MICHIGAN 48909

## CONTRACT CHANGE NOTICE

Change Notice Number 001  
to  
Contract Number 071B6600012

<b>CONTRACTOR</b>	Cyber Defense Technologies, LCC
	1818 Library Street
	Reston, VA 20190
	William Kimble
	703-967-4767
	William.Kimble@cyberdefensetechnologies.com
	*****1369

STATE	Program Manager	Reasner Richard	DTMB
		517-241-4090	
	Contract Administrator	reasnerr@michigan.gov	
		Mike Breen	DTMB
		(517) 284-7002	
		breenm@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: Vulnerability Assessment Services				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
November 17, 2015	November 17, 2020	2 - 1 Year	November 17, 2020	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		Click here to enter a date.
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$2,500,000.00		\$ 62,377.62	\$2,562,377.62	
DESCRIPTION: DNR is requesting to utilize this contract for vulnerability testing and adding funds \$62,377.62 to the contract to support this engagement. All other terms and conditions remain the same.				



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> Vulnerability Assessment Service's (VAS) Contract No. 071B6600012 – DNR VAS Sub-Project Change Request	<b>Period of Coverage:</b> December 1, 2015 – December 1, 2016
<b>Requesting Department:</b> DTMB CIP MCS / DNR	<b>Date:</b> June 24, 2016
<b>Agency Project Manager:</b> Donna Davis	<b>Phone:</b> 517-284-6143
<b>DTMB Project Manager:</b> Natalie Lake / Richard Reasner	<b>Phone:</b> 517-241-0344/517-241-4090

**SERVICES TO BE PROVIDED AND BACKGROUND:**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with Cyber Defense Technologies, LLC (CDT) to provide the State of Michigan with Vulnerability Assessment services to validate SOM information technology (IT) and environmental security posture on an ongoing basis.

Cyber Defense Technologies, LLC (CDT) and partner TrustedSec will provide different levels of IT security vulnerability assessment services that are defined in the Tasks listed below. The teaming expertise will cover many different IT security vulnerability testing categories or levels as possible.

This Statement of Work (SOW) is a change request SOW for modification to the original contract with Cyber Defense Technologies, # 071B6600012. The Michigan Department of Natural Resources and the Management and the Storage of Sensitive Data Risk Assessment Project wishes to utilize the selected contract services from the tasks listed below and add funding to the original contract in the amount of \$62,377.62.

**PROJECT OBJECTIVE:**

- Eliminate or lesson the number of security threats/gaps
- Lower the risk of network and/or system attacks as security gaps are closed
- Protect CJIS, IRS, PCI, PII, and HIPAA information to the fullest extent possible
- Increase security awareness throughout all SOM agencies by providing security technical expertise to secure their business solutions and operations
- Increase SOM's security posture and protect all SOM assets
- Prevent attack recovery costs and protect SOM reputation

**SCOPE OF WORK:**

The CDT Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies
- providing cost estimates and proposed test schedules
- conducting security inspections, scans, penetration testing, and code reviews
- result reporting with remediation/mitigation suggestions
- validation testing after remediation/mitigation actions

- metric reporting of on-going security stature

See the attached CDT Requirements Document for the detailed VAS services being requested by the Michigan Department of Natural Resources and the Management and Storage of Sensitive Data Risk Assessment Project.

## TASKS:

The full technical scope of VAS contracted services is listed below and the Michigan Department of Natural Resources and the Management and Storage of Sensitive Data Risk Assessment Project will utilize those items check marked from this listing. All VAS sub-projects may use one or a combination of the following:

- ☐ External Network Vulnerability Penetration Testing
- ☐ Internal Network Vulnerability Penetration Testing
- ☐ Web Application / Database Penetration Testing
- ☐ Internal / External Trusted Cloud Assessments
- ☐ DMZ or Network Architecture Testing / Reviews
- ☐ Wireless Network Penetration Testing
- ☐ Virtual Infrastructure Security Penetration Testing
- XX Server Configuration Scanning / Reviews
- ☐ Firewall and Router Configuration Reviews and Testing
- ☐ VPN Configuration Reviews and Testing
- ☐ Voice over IP Review and Testing
- ☐ Social Engineering Testing
- ☐ Physical Security Inspections and Testing
- ☐ Software Source Code Reviews and Testing
- ☐ Application threat Modeling and Design Reviews
- ☐ Information Security Policy and Procedure Reviews
- XX Information Security Risk Assessment of Confidential or Sensitive Data Identification
- ☐ Security Awareness Program Reviews
- ☐ Incident Response Program Reviews
- ☐ Secure SDLC Development Reviews
- ☐ PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79
- ☐ PCI Report on Compliance Assessment or Gap Analysis Reporting
- ☐ HIPAA Scans in accordance with Federal Laws, Regulations, & NIST HIPAA Standards 800-66
- ☐ HIPAA Report on Compliance Assessment or Gap Analysis Reporting
- ☐ CJIS, CMS, IRS Compliance Security Assessments
- ☐ Other assessments to determine compliance with State, Federal Laws, Regulations and
  - Industry Recognized Standards
- ☐ Revalidation Reviews

## DELIVERABLES:

The CDT Contractor will supply the following deliverables as defined in the contract with MCS under

this SOW:

- Vulnerability Assessment (VA) Requirements Meetings
- Vulnerability Assessment (VA) Requirements Documents for each sub project
- VA Project Plan for each sub project
- Memorandum of Understanding or Rules of Engagement document for each sub project
- Project Roles & Responsibilities for each sub project
- Cost Estimate for each sub project
- Debrief meetings to review testing /finding results for each sub project
- Plan of Action & Milestones (POAM) for each sub project (Scan output file) with the minimum following data elements:
  - File server name and IP address
  - Vulnerable file name, file pathway (location on server), and file attributes
  - A “snippet” of the vulnerable file’s content (for further evaluation and confirmation of vulnerability)
  - List of “locked” (encrypted) files, including file name, file pathway and file attributes
  - List of Active Directory groups with access to vulnerable or locked files (Access Control List)
  - Author of each vulnerable or locked file
  - “Last saved by” for vulnerable and locked files
- On-Going Metric Report for each sub project
- Project Staffing Structure
- Staffing Resumes / Background checks completed prior to work
- Report Standard Formats
- Practice Issue Management & Logging
- Practice Risk Management & Planning
- Practice Change Management
- Provide Work Activity Reporting (WAR) reports of work done

#### **ACCEPTANCE CRITERIA:**

Deliverables that are documents must:

- Be allowed no less than five (5) business days for review by the State of Michigan.
- Be in electronic format, compatible with the State of Michigan software in accordance with Article 1.302 of original contract.
- Provide a heading indicating document name on each page
- Provide page number and “of pages” on each page.
- Provide an “as of” date.
- Indicate final and not draft status
- Reflect correction of feedback provided by the State, regarding but not limited to, level of detail and clarifications.
- Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager.

The following requirements for final project acceptance apply:

- That all service deliverables defined in this purchase order Statement of Work have been completed and approved in writing by the Agency Manager, POC or DTMB Project Manager.
- That debrief meetings with mitigations have been validated by a follow-up validation test to confirm required mitigations were successful.
- Final acceptance of the named Agency Manager, or designated agency POC on the invoice for Vulnerability Assessment Services provided to the sub-project of the Michigan Department of Natural Resources and the Management and Storage of Sensitive Data Risk Assessment Project accepting all deliverables.

## **PROJECT CONTROL AND REPORTS:**

- Status updates are made daily during scanning & reviews with primary point of contact onsite with the Contractor
- Monthly meetings to discuss the projects' work done, work that will be done with MCS Project Managers. Review of updated project plan's, deliverable statuses, schedules, issue log, risk log and change log will be completed at each meeting as necessary.
- Agency Manager or agency POC will review day to day deliverable items on an ongoing bases during on-site work visits. Performance evaluations will be on-going with status meeting updates and work.
- Milestones and deliverables built into project plans.
- Deliverable Quality Assurance monitoring on-going through contract duration.

## **SPECIFIC DEPARTMENT STANDARDS:**

SOM DTMB technology standards, policies and procedures will apply to all work being done under this contract. Links are provided in the original contract in section 1.103 Environment.

## **Additional Security and Background Check Requirements:**

Contractor must present certification evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC).

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

## **PAYMENT SCHEDULE:**

Payments will be made on the satisfactory acceptance of deliverables and milestones as defined in the VAS contract which is reflected in this change request SOW.

- Work performed is defined in detail in the attached CDT contractor requirements document with attached project plan and cost estimate for this Michigan Department of Natural Resources and the Management and Storage of Sensitive Data Risk Assessment Project.
- All VAS project(s) will be estimated and invoiced using the firm fixed price rate per category of employee or title type as quoted in the original VAS contract.
- Invoices will not be paid for more than this SOW estimated amount.
- Invoices will be paid in a timely matter when the projects' deliverables have been completed and the SOM agency Manager or designated agency POC has approved the invoice.
- The Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Extended purchasing program volume requirements are not included, unless stated otherwise.

DTMB will pay the CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order. The DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project Agency & POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

**The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project invoice submitted. Contractor invoices will be returned if a copy of the project requirements document, schedule, cost estimate and approved purchase order are not affixed to the invoice. The invoice will not exceed the approved purchase order amount for services.**

All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

**EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

**PROJECT CONTACTS:**

Agency Manager – Donna Davis, Privacy and Information Security Officer  
Michigan Department of Natural Resources  
525 West Allegan Street  
PO Box 30028  
Lansing Michigan  
517-284-6143  
davisd8@michigan.gov

and

Designated Point of Contact - Tom Weston  
Michigan Department of Natural Resources  
525 West Allegan Street  
PO Box 30028  
Lansing Michigan  
517-284-6173  
westont1@michigan.gov

The SPOC for original overall contract:

Richard Reasner  
DTMB CIP -MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-373-3832  
[ReasnerR@michigan.gov](mailto:ReasnerR@michigan.gov)

Or a designee assigned from DTMB CIP – MCS

Natalie Lake  
DTMB CIP-MCS  
515 Westshire Dr.  
Lansing MI 48917  
517-241-0344  
[LakeN3@michigan.gov](mailto:LakeN3@michigan.gov)

#### **AGENCY RESPONSIBILITIES:**

##### **Agency Manager- (Agency) and Point of Contact (POC)**

Each SOW will identify an Agency Manager and POC who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Agency Manager and POC will provide the following services:

- Provide and/or coordinate State facility access, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors if external host testing is needed
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverables/milestones
- Review and sign-off of invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Submit SOM Purchase Order requests for sub-project
- Arrange, schedule and facilitate State staff attendance at project meetings.
- Submit EASA, ISR forms or create Remedy tickets as required.

#### **LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

On site requested work locations are located at: 515 Westshire Drive, Lansing Michigan 48917 (Batcave)

And

Contractor Facilities – Remote  
Cyber Defense Technologies, LLC  
1818 Library Street, Suite 500  
Reston, VA 20190  
703-967-4767

TrustedSec  
14780 Pearl Road, Suite 300,  
Strongsville, OH 44136

**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.

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Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

This purchase order is a release from Contract Number 071B6600012. This purchase order, statement of work, and the terms and conditions of Contract Number 071B6600012 constitute the entire agreement between the State and the Contractor.

## APPENDIX A

### Cyber Defense Technologies

In Reference to State of Michigan Work Order:  
Task 16-003 – DNR PII Discovery

## COST TABLE

### Task 16-003 – DNR PII Discovery

Staffing Category	Total Hours	Hourly Rate	Total Cost
Account Manager	52	\$124.78	\$6,488.56
SME Security Technician With Greater Than 10 Years of Information Security Vulnerability Assessment-Related Experience	37	\$144.41	\$5,343.17
Sr. Security Technician With Greater Than 7 Years to 10 Years of Information Security – Related Experience	215	\$125.15	\$26,907.25
Mid-Level Security Technician With 3 Years to Less than 7 Years Information Security-Related Experience	98	\$105.52	\$10,340.96
Jr. Security Technician With Less Than 3 Years Information Security-Related Experience	146	\$91.08	\$13,297.68
Grand Total Project Cost	<b>548</b>		<b>\$62,377.62</b>

SEE TASK AND RESOURCE BREAKOUT BELOW:

## TASK AND RESOURCE BREAKOUT

TASK	Hours by LCAT					Totals by Task	
	Acct Manager	SME	Sr Sec Tech	Mid Sec Tech	Jr Sec Tech	Hours by Task	Total Task Cost
LCAT Rate	\$124.78	\$144.41	\$125.15	\$105.52	\$91.08		
External Network	52.0	37.0	215.0	98.0	146.0	548.0	\$62,377.62

Penetration Testing									
Total Hours by LCAT		52.0	37.0	215.0	98.0	146.0	548.0		
Total Cost by LCAT		\$6,488.56	\$5,343.17	\$26,907.25	\$10,340.96	\$13,297.68			<b>\$62,377.62</b>

**Cyber Defense Technologies**

In Reference to State of Michigan Work Order:

Task 16-003 – PII Discovery

**COST TABLE**
**Task 16-003 – PII Discovery**

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## TASK AND RESOURCE BREAKOUT

TASK	Hours by LCAT					Totals by Task	
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External Network Penetration Testing	52.0	37.0	215.0	98.0	146.0	548.0	\$62,377.62
Total Hours by LCAT	52.0	37.0	215.0	98.0	146.0	548.0	
Total Cost by LCAT	\$6,488.56	\$5,343.17	\$26,907.25	\$10,340.96	\$13,297.68		\$62,377.62

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## **REQUIREMENTS GATHERING QUESTIONNAIRE**

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Please complete the following Requirements Gathering Questionnaire. Please note that not all questions may be relevant based on the environment being tested nor must they be fully answered at this time but a general idea is very helpful to us in determining what may be required for this project.

As a precaution, please encrypt this document when filled out before returning. Applications such as 7-zip are recommended.

Item	Section I - Response
<b>Asset description</b>	<p><i>Please briefly explain the function of the environment.</i></p> <p><u>Users:</u> DNR employees develop, store, and print off of DNR's host server systems. This is done centrally in Lansing as well as in the field. Other State of Michigan (SOM) agency employees and some external third party contractors also develop, store and print off of DNR servers to assist in implementing the activities of the SOM's natural resource programs.</p> <p><u>File Structure:</u> Most file and print files are created using Microsoft Suite products (Word, Excel, PowerPoint, Access, and other image files), however the content of the file and print servers may not be limited to Microsoft Suite products (e.g. Adobe).</p> <p><u>Access Control:</u> Access to the file and print servers is granted by request from designated department staff (authorized requesters) in each DNR Office/Division with the technical assistance of the Department of Technology Management and Budget (DTMB) which is the primary data custodian on behalf the DNR as the data owner. DTMB uses Active Directory provisioning groups to grant access to personal and shared server drives, folders, files and devices.</p> <p><u>Issue:</u> At present, there is little active oversight (audit), maintenance or clean-up of document and print files by DTMB or the DNR's offices/divisions. Because of this, these files may contain content that can be classified by the SOM IT technical standards for data classification (and the DNR data classification policy) as sensitive, confidential or restricted. Many of these files contain outdated content as well as outdated or unauthorized access credentials.</p>
<b>Type of Testing Required</b>	<p>(Check all that apply)</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> External Network Vulnerability Penetration Testing</li> <li><input type="checkbox"/> Internal Network Vulnerability Penetration Testing</li> <li><input type="checkbox"/> Web Application / Database Penetration Testing</li> <li><input type="checkbox"/> Internal / External Trusted Cloud Assessments</li> <li><input type="checkbox"/> RAS Security Testing</li> <li><input type="checkbox"/> DMZ or Network Architecture Testing / Reviews</li> <li><input type="checkbox"/> Wireless Network Penetration Testing</li> <li><input type="checkbox"/> Virtual Infrastructure Security Penetration Testing</li> </ul>

	<input checked="" type="checkbox"/> Server File Share Scanning /Access Control Listing <input type="checkbox"/> Firewall and Router Configuration Reviews and Testing <input type="checkbox"/> VPN Configuration Reviews and Testing Voice over IP Review and Testing <input type="checkbox"/> Social Engineering Testing <input type="checkbox"/> Physical Security Inspections and Testing <input type="checkbox"/> Software Source Code Reviews and Testing <input type="checkbox"/> Application threat Modeling/ A Review and Recommendation of Specific Requirements Needed to Protect Confidential/Sensitive Data <input type="checkbox"/> Information Security Policy and Procedure Reviews <input checked="" type="checkbox"/> Information Security Risk Assessment of Confidential or Sensitive Data Identification <input type="checkbox"/> Security Awareness Program Reviews <input type="checkbox"/> Incident Response Program Reviews <input type="checkbox"/> Secure SDLC Development Reviews <input type="checkbox"/> PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79 <input type="checkbox"/> PCI Report on Compliance Assessment or Gap Analysis Reporting <input type="checkbox"/> HIPAA Scans in accordance with Federal Laws, Regulations, & NIST HIPAA Standards 800-66 <input type="checkbox"/> HIPAA Report on Compliance Assessment or Gap Analysis Reporting <input type="checkbox"/> CJIS, CMS, IRS Compliance Security Assessments <input type="checkbox"/> Other assessments to determine compliance with State, Federal Laws, Regulations and Industry Recognized Standards <input type="checkbox"/> Revalidation Reviews
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For Web Application Tests	Not Applicable.
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## Section II - Boundaries and Limitations

Is the environment to be tested connected to other assets that we should be aware of?	<p>Yes, some server environments are partitioned and shared with other SOM agencies, and therefore contain non-DNR documents or print files. In other cases, there may be stray files (e.g. tables) that have links to construction, QA or production databases or applications.</p> <p>Exact file paths to be tested are in the attached excel spread sheet or you may contact Donna Davis to receive a copy of it.</p>
What devices, networks, and/or applications should be considered IN	<p>Device types that are <b>in scope</b> for this project are limited to construction, QA or production file and print servers (non-virtual and virtual) servicing the DNR programs. Mainly Windows Print servers and file shares. Specific servers and file paths in attached excel spreadsheets, and may be obtained from Donna Davis or Natalie Lake if required for ITRAC information.</p>

<b>SCOPE.</b>	
<b>What devices, networks, and/or applications should be considered OUT OF SCOPE.</b>	Device types that are <b>out of scope</b> for this project are web, application and database servers (non-virtual and virtual).

## Section III - Technologies in Use

<b>Does the environment make use of virtualization technologies?</b>	Yes for the Central Lansing DNR office.
<b>Does the organization utilize security technology in addition to Firewalls and VLANs relevant to the environment to be tested?</b>	Yes, coordination with DTMB's Infrastructure Services and Michigan Cyber Security (MiSOC) will be necessary when testing is performed. Natalie Lake will coordinate with MiSOC as a work schedule is established.
<b>Does the environment make use of web applications / websites? If so, are any of them available to the internet?</b>	N/A

## Section IV - Network Information

<b>Is Wireless Implemented?</b>	N/A

<b>Approximately how many VLANs does the environment make use of?</b>	N/A - Specific servers and file paths are defined for scanning only.
<b>Approximately how many hosts does the environment contain?</b>	For PII sensitive data, and confidential data scanning of only DNR data there are 36 servers or hosts defined in the attached listing. With specific file paths defined for in scope scanning. There is a total of 9.5 terabytes of data to be scanned in 659 different file paths that need file permissions listed in a deliverable listing.
<b>Approximately how many networking devices does the environment contain?</b>	N/A
<b>How many connections are there to the internet from this environment?</b>	None. Internal SOM only.

## Section V - System Review

<b>What OS and Systems would be in scope?</b>	Specific list attached. These are Windows file shares.
<b>Roughly how many systems would be in scope for review?</b>	Detailed listing attached: 36 file servers, with 659 total file paths to be scanned and file permissions listed. Contact Donna Davis for listing if required.
<b>If firewalls, switches, or routers are in scope, what is the rough estimate on lines of rules for these devices?</b>	N/A
File Share Permissions for review and searching file shares and print shares for PII, sensitive or	

<b>What specific types of technology would we be reviewing (example endpoint protection, group policy, etc).</b>	confidential information.
<b>Can you list general versions of the systems being reviewed (ex. Server 2012, Windows 8.1, etc.)</b>	Mostly Windows server 2008, some 2003 and 2012 OS's

## Section VI - Code Review - (only complete if requesting code reviews)

<b>What language is the application written in?</b>	N/A
<b>Roughly how many lines of code is the application coded in?</b>	N/A
<b>What third party dependencies are in use (doesn't need to be exhaustive).</b>	N/A
<b>What's the primary function of the application and user roles?</b>	N/A
<b>Is there good documentation around the architecture, use cases, and general application</b>	N/A

functionality?

## Section VII – Administrative

**Has the environment ever had a comprehensive vulnerability assessment or penetration test performed?**

Internal vulnerability scanning.

**Are there any specific security compliance standards the environment must meet or that the organization wishes to achieve?**

Yes. The DNR file and print servers must meet all SOM IT Technical Standards. These standards are based on NIST 800 series best practices for information security.

**What is your organization/agency concerned about (from a security perspective)?**

This project is focused on auditing the compliance requirements for acceptable use and the storage of sensitive information in files on agency servers by DNR users. Both enterprise-wide standards and department policy dictate that care is taken with the handling of classified sensitive information.

**What is your organization wishing to implement (from a security perspective)?**

This project will help determine if the enterprise and the DNR are exercising appropriate development, storage and use judgement to protect information classified by the DNR as sensitive, confidential or restricted, and whether further education or technical (network/server) segregation needs to be implemented by the enterprise and/or DNR..

**Are there any  
special requests?**

Files that are discovered to have content which is deemed sensitive, confidential or restricted, based on federal, state or local statute, rule, or other requirement must be identified and quarantined on the server. Identification includes file name, file size, file ownership (author), file location (drive and folder pathway), description of sensitive content in the file, and a list of Active Directory groups or SOM users with access to the file (Access Control List).

Sensitive data includes the combination of a person's name and/or (home) address, and the following data elements:

- Telephone or Cell Number
- Email address
- Date of Birth
- Social Security Number
- Driver's License/ State ID Number
- Physical Identifying Characteristics (Height, Weight, Eye Color, etc.)
- Culturally or Gender Identifying Demographic Data (Racial or cultural background, M/F, etc.)
- Place of Employment
- Employment ID Number
- Savings or Checking Account Number (scanned in checks)
- Credit/ Debit Number
- Security Access Codes or Passwords
- Vital or Medical Record

Top of Form

## Application Threat Assessment (only to be completed if web application penetration testing is requested)

*Asking someone how something works and why it was implemented in a specific way allows the tester to quickly determine if any security concerns are likely to be evident. Providing accurate and complete answers allows the tester to perform a more focused and value add assessment.*

Application Name:

URL:

Application Description:

Owners, Authors, and Stakeholders

*At a minimum list an emergency contact should the tester need to reach someone immediately during the testing window*

(Emergency Contact)

**Application Overview** — Identify your application's end-to end process flow and what your application does.

**Presentation, business, and data access logic**

**End to end deployment scenario** — key components and services, topology (relevant figures and/or diagrams can be attached)

**Application Roles** — Identify who can do what within your application.

Who (Role)

What

Comments

**Key Scenarios** — Identify the key features of your application and usage scenarios (Use cases)

Ex. User searches product catalog.

**Authentication/Session Management** — Identify how authentication and session management is handled within this application (if appropriate)

**Sensitive Data** — identify any sensitive data that is processed or stored by the application

**Is there any sensitive data processed OR stored by this application?**      Yes      No

**If yes, please identify the type and where processed/stored:**

**Technologies** — identify the relevant technologies and key features of the specific technologies used.

OS:

Web Server:

Database:

Development/Scripting Languages:

Other:

**Automated Functions** — identify any automated functions performed by your application upon form submission, data updates, etc.













Our automated tools are Web application analyzers that rigorously inspect your application for real and potential security vulnerabilities. To effectively do their jobs our tools submit forms and mimic all of the actions of an end user. If submitting a form or updating data sends someone an alert, our tool will generate these same alerts.

























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ID	Task Mode	Task Name	Duration	Work	Start	Finish	Predecessors
1	★	SOM - Vulnerability Assessment Project - Task 56 days Order 16-003	56 days	548 hrs	Mon 6/27/16	Mon 9/12/16	
2	★	Project Initiation	5 days	14 hrs	Wed 6/29/16	Tue 7/5/16	
3	★	Work Order Awarded	0 days	0 hrs	Wed 6/29/16	Wed 6/29/16	
4	★	Kick-Off Meeting	1 day	6 hrs	Mon 7/4/16	Mon 7/4/16	3
5	★	Q&A or Technical Exchange Meeting	1 day	8 hrs	Tue 7/5/16	Tue 7/5/16	4
6	★	Project Planning	3 days	12 hrs	Mon 7/4/16	Wed 7/6/16	2
7	★	Update Project t Plan & Schedule	3 days	4 hrs	Mon 7/4/16	Wed 7/6/16	
8	★	Update/Create Security Assessment Plan	3 days	4 hrs	Mon 7/4/16	Wed 7/6/16	
9	★	Rules of Engagement Meeting	1 day	4 hrs	Tue 7/5/16	Tue 7/5/16	
10	★	Project Execution	48 days	474 hrs	Wed 7/6/16	Fri 9/9/16	9
11	★	Information Gathering	2 days	16 hrs	Wed 7/6/16	Thu 7/7/16	
12	★	Gather Requested Search Criteria from DNR	2 days	16 hrs	Wed 7/6/16	Thu 7/7/16	

Task	Inactive Task	Start-only
Split	Inactive Milestone	Finish-only
Milestone	Inactive Summary	Deadline
Summary	Manual Task	Progress
Project Summary	Duration-only	Manual Progress
External Tasks	Manual Summary Rollup	
External Milestone	Manual Summary	

Project: CDT - Task 16-001 DMZ D  
Date: Wed 6/8/16

ID	Task Mode	Task Name	Duration	Work	Start	Finish	Predecessors
13		Setup & Coordination	18 days	226 hrs	Fri 7/8/16	Tue 8/2/16	11
14		Offsite	14 days	170 hrs	Fri 7/8/16	Wed 7/27/16	
15		Establish Department Access	3 days	12 hrs	Mon 7/11/16	Wed 7/13/16	
16		Build & Prepare Scan Engine	3 days	16 hrs	Mon 7/11/16	Wed 7/13/16	
17		Analyze Requested Data Strings for Query's	8 days	62 hrs	Fri 7/8/16	Tue 7/19/16	12
18		Develop Search Algorithms	10 days	80 hrs	Thu 7/14/16	Wed 7/27/16	
19		Onsite Trip 1	2 days	56 hrs	Mon 8/1/16	Tue 8/2/16	18
20		Install Scan Engine	2 days	32 hrs	Mon 8/1/16	Tue 8/2/16	
21		Test Access to Storage & Scanning	2 days	16 hrs	Mon 8/1/16	Tue 8/2/16	
22		Test Access back to CDT/TS HQ	2 days	8 hrs	Mon 8/1/16	Tue 8/2/16	
23		Data Collection	32 days	76 hrs	Mon 7/18/16	Tue 8/30/16	22
24		Run Selected Algorithms and Data Strings based on Search Criteria	20 days	40 hrs	Mon 7/18/16	Tue 8/30/16	22

Task	Inactive Task	Inactive Milestone	Inactive Task	Start-only
Split				
Milestone				
Summary				
Project Summary				
External Tasks				
External Milestone				

Project: CDT - Task 16-001 DMZ D  
Date: Wed 6/8/16

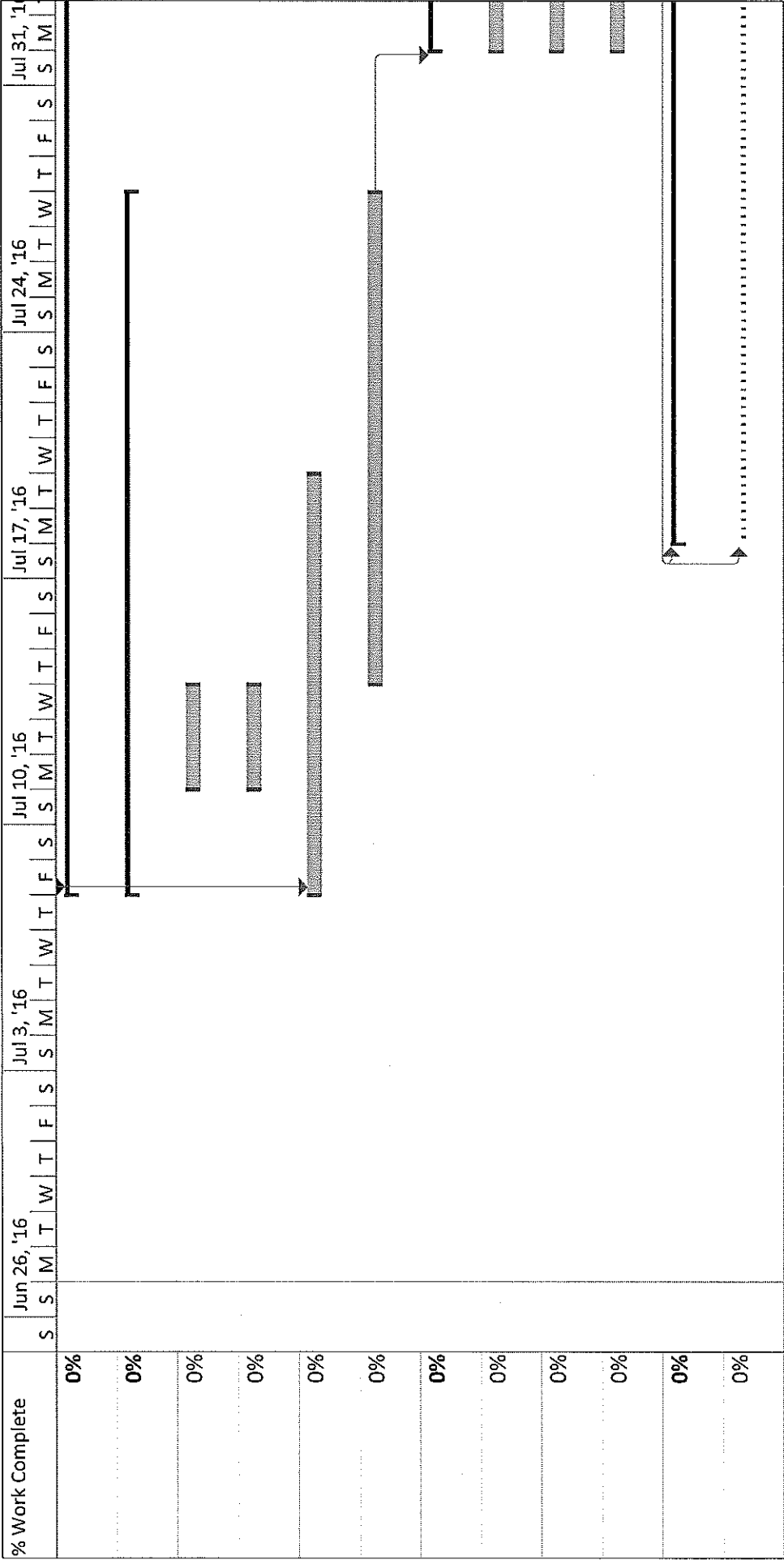
ID	Task Mode	Task Name	Duration	Work	Start	Finish	Predecessors
25	★	Analyze Data Capture Success	20 days	12 hrs	Mon 7/18/16	Fri 8/12/16	
26	★	Adjust Algorithms Based on Caputre Success	20 days	12 hrs	Mon 7/18/16	Fri 8/12/16	
27	★	Onsite Trip 2	2 days	12 hrs	Mon 8/15/16	Tue 8/16/16	
28	★	Finish any remaining search tasks	2 days	8 hrs	Mon 8/15/16	Tue 8/16/16	
29	★	Collect Scan Engine	2 days	4 hrs	Mon 8/15/16	Tue 8/16/16	
30	★	Data Analysis	13 days	100 hrs	Wed 8/17/16	Fri 9/2/16	29
31	★	Validate Data	10 days	40 hrs	Wed 8/17/16	Tue 8/30/16	29
32	★	Analyze Data	10 days	60 hrs	Mon 8/22/16	Fri 9/2/16	31
33	★	Reporting	5 days	56 hrs	Mon 9/5/16	Fri 9/9/16	
34	★	Collect and Organize Data for Reporting	5 days	32 hrs	Mon 9/5/16	Fri 9/9/16	
35	★	Prepare Report	5 days	16 hrs	Mon 9/5/16	Fri 9/9/16	
36	★	Conduct Q/A - Tech Review	5 days	8 hrs	Mon 9/5/16	Fri 9/9/16	

Project: CDT - Task 16-001 DMZ D Date: Wed 6/8/16	Task	Inactive Task	Start-only
	Split	Inactive Milestone	Finish-only
	Milestone	Inactive Summary	Deadline
	Summary	Manual Task	Progress
	Project Summary	Duration-only	Manual Progress
	External Tasks	Manual Summary Rollup	
	External Milestone	Manual Summary	

ID	Task Mode	Task Name	Duration	Work	Start	Finish	Predecessors
37	★	Project Monitor and Controlling	56 days	40 hrs	Mon 6/27/16	Mon 9/12/16	
38	★	Staff Status Meetings	56 days	12 hrs	Mon 6/27/16	Mon 9/12/16	
39	★	Weekly Activity Reports/Metrics	56 days	24 hrs	Mon 6/27/16	Mon 9/12/16	
40	★	PM Change Management	56 days	4 hrs	Mon 6/27/16	Mon 9/12/16	
41	★	Project t Close	1 day	8 hrs	Mon 9/12/16	Mon 9/12/16	
42	★	Final Briefing	1 day	8 hrs	Mon 9/12/16	Mon 9/12/16	

Project: CDT - Task 16-001 DMZ D Date: Wed 6/8/16	Task		Inactive Task		Start-only
	Split		Inactive Milestone		Finish-only
	Milestone		Inactive Summary		Deadline
	Summary		Manual Task		Progress
	Project Summary		Duration-only		Manual Progress
	External Tasks		Manual Summary Rollup		
	External Milestone		Manual Summary		

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Project: CDT - Task 16-001 DMZ D Date: Wed 6/8/16	Task	Inactive Task	Inactive Task	Start-only	Start-only
	Split	Inactive Milestone	Inactive Milestone	Finish-only	Finish-only
	Milestone	Inactive Summary	Inactive Summary	Deadline	Deadline
	Summary	Manual Task	Manual Task	Progress	Progress
	Project Summary	Duration-only	Duration-only	Manual Progress	Manual Progress
	External Tasks	Manual Summary Rollup	Manual Summary Rollup		
	External Milestone	Manual Summary	Manual Summary		

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% Work Complete	Jun 26, '16			Jul 3, '16			Jul 10, '16			Jul 17, '16			Jul 24, '16			Jul 31, '16				
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**Cyber Defense Technologies**

In Reference to State of Michigan Work Order:

Task 16-003 – PII Discovery

**COST TABLE**
**Task 16-003 – PII Discovery**

Staffing Category	Total Hours	Hourly Rate	Total Cost
Account Manager	52	\$124.78	\$6,488.56
SME Security Technician With Greater Than 10 Years of Information Security Vulnerability Assessment-Related Experience	37	\$144.41	\$5,343.17
Sr. Security Technician With Greater Than 7 Years to 10 Years of Information Security – Related Experience	215	\$125.15	\$26,907.25
Mid-Level Security Technician With 3 Years to Less than 7 Years Information Security-Related Experience	98	\$105.52	\$10,340.96
Jr. Security Technician With Less Than 3 Years Information Security-Related Experience	146	\$91.08	\$13,297.68
Grand Total Project Cost	<b>548</b>		<b>\$62,377.62</b>

**SEE TASK AND RESOURCE BREAKOUT BELOW:**

## TASK AND RESOURCE BREAKOUT

TASK	Hours by LCAT					Totals by Task	
	Acct Manager	SME	Sr Sec Tech	Mid Sec Tech	Jr Sec Tech	Hours by Task	Total Task Cost
LCAT Rate	\$124.78	\$144.41	\$125.15	\$105.52	\$91.08		
External Network Penetration Testing	52.0	37.0	215.0	98.0	146.0	548.0	\$62,377.62
Total Hours by LCAT	52.0	37.0	215.0	98.0	146.0	548.0	
Total Cost by LCAT	\$6,488.56	\$5,343.17	\$26,907.25	\$10,340.96	\$13,297.68		\$62,377.62

Form No. DTMB-3522 (Rev. 04/2015)  
 AUTHORITY: Act 431 of 1984  
 COMPLETION: Required  
 PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 525 W. ALLEGAN, LANSING, MI 48933

**NOTICE OF CONTRACT NO. 071B6600012**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Cyber Defense Technologies, LLC  1818 Library Street, Suite 500 Reston, VA 20190	William Kimble	William.Kimble@CyberDefenseTechnologies.Com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS)
	703-967-4767	1369

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	Richard Reasner	(517) 241-4090	reasner@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Mike Breen	(517) 284-7002	breenm@michigan.gov

CONTRACT SUMMARY			
<b>DESCRIPTION:</b> Vulnerability Assessment Services (VAS)			
<b>INITIAL TERM</b> 5 years	<b>EFFECTIVE DATE</b> November 17, 2015	<b>INITIAL EXPIRATION DATE</b> November 17, 2020	<b>AVAILABLE OPTIONS</b> 2, one year
<b>PAYMENT TERMS</b> Net 45	<b>F.O.B.</b> N/A	<b>SHIPPED TO</b> N/A	
<b>ALTERNATE PAYMENT OPTIONS</b> <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<b>EXTENDED PURCHASING</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>MINIMUM DELIVERY REQUIREMENTS:</b>			
<b>MISCELLANEOUS INFORMATION:</b> Per DTMB Cyber Security and DTMB-Procurement request and with the approval of the State Administrative Board 11-17-2015 this contract is established for the purpose of providing vulnerability assessment service activities with the mutually agreed upon terms and conditions.			
<b>ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:</b>		\$2,500,000.00	

Notice of Contract #: 071B6600012

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For the Contractor:



William J. Kimble,  
Contract Administrator  
Cyber Defense Technologies

November 9, 2015

Date

For the State:



State of Michigan



Date

## Table of Contents

<b>Table of Contents</b>	<b>3</b>
<b>Article 1 – Statement of Work (SOW)</b>	<b>7</b>
<b>1.000 Project Identification</b>	<b>7</b>
1.001 Project Request	7
1.002 Background	7
<b>1.100 Scope of Work and Deliverables</b>	<b>7</b>
1.101 In Scope	7
1.102 Out Of Scope	8
1.103 Environment	8
1.104 Work and Deliverables	9
<b>1.200 Roles and Responsibilities</b>	<b>13</b>
1.201 Contractor Staff, Roles, and Responsibilities	13
1.202 State Staff, Roles, And Responsibilities	15
1.203 Other Roles and Responsibilities	16
<b>1.300 Contract Planning</b>	<b>16</b>
1.301 Contract Actions	16
1.302 Reports	17
<b>1.400 Project Management</b>	<b>18</b>
1.401 Issue Management	18
1.402 Risk Management	18
1.403 Change Management	19
<b>1.500 Acceptance</b>	<b>19</b>
1.501 Criteria	19
1.502 Final Acceptance	20
<b>1.600 Compensation and Payment</b>	<b>20</b>
1.601 Compensation and Payment	20
1.602 RESERVED	21
<b>Article 2, Terms and Conditions</b>	<b>22</b>
<b>2.000 Contract Structure and Term</b>	<b>22</b>
2.001 Contract Term	22
2.002 Options to Renew	22
2.003 Legal Effect	22
2.004 Attachments & Exhibits	22
2.005 Ordering	22
2.006 Order of Precedence	22
2.007 Headings	22
2.008 Form, Function & Utility	23
2.009 Reformation and Severability	23
<b>2.010 Consents and Approvals</b>	<b>23</b>
2.011 No Waiver of Default	23
2.012 Survival	23
<b>2.020 Contract Administration</b>	<b>23</b>
2.021 Issuing Office	23
2.022 Contract Compliance Inspector	23
2.023 Project Manager	24
2.024 Change Requests	24
2.025 Notices	25
2.026 Binding Commitments	25
2.027 Relationship of the Parties	26
2.028 Covenant of Good Faith	26

2.029	Assignments	26
<b>2.030</b>	<b>General Provisions</b>	<b>26</b>
2.031	Administrative Fee and Reporting	26
2.032	Media Releases	27
2.033	Contract Distribution	27
2.034	Permits	27
2.035	Website Incorporation	27
2.036	Future Bidding Preclusion	27
2.037	Freedom of Information	27
2.038	Disaster Recovery	27
<b>2.040</b>	<b>Financial Provisions</b>	<b>28</b>
2.041	Fixed Prices for Services/Deliverables	28
2.042	RESERVED	28
2.043	Services/Deliverables Covered	28
2.044	Invoicing and Payment – In General	28
2.045	RESERVED	28
2.046	Antitrust Assignment	28
2.047	Final Payment	28
2.048	Electronic Payment Requirement	28
<b>2.050</b>	<b>Taxes</b>	<b>29</b>
2.051	Employment Taxes	29
2.052	Sales and Use Taxes	29
<b>2.060</b>	<b>Contract Management</b>	<b>29</b>
2.061	Contractor Personnel Qualifications	29
2.062	Contractor Key Personnel	29
2.063	Re-assignment of Personnel at the State's Request	30
2.064	Contractor Personnel Location	30
2.065	Contractor Identification	30
2.066	Cooperation with Third Parties	30
2.067	Contract Management Responsibilities	30
2.068	Contractor Return of State Equipment/Resources	31
<b>2.070</b>	<b>Subcontracting by Contractor</b>	<b>31</b>
2.071	Contractor full Responsibility	31
2.072	State Consent to delegation	31
2.073	Subcontractor bound to Contract	31
2.074	Flow Down	31
2.075	Competitive Selection	32
<b>2.080</b>	<b>State Responsibilities</b>	<b>32</b>
2.081	Equipment	32
2.082	Facilities	32
<b>2.090</b>	<b>Security</b>	<b>32</b>
2.091	Background Checks	32
<b>2.100</b>	<b>Confidentiality</b>	<b>32</b>
2.101	Confidentiality	32
2.102	Protection and Destruction of Confidential Information	33
2.103	PCI DATA Security Standard	33
2.104	Exclusions	33
2.105	No Implied Rights	34
2.106	Security Breach Notification	34
2.107	Respective Obligations	34
<b>2.110</b>	<b>Records and Inspections</b>	<b>34</b>
2.111	RESERVED	34
2.112	Retention of Records	34
2.113	Examination of Records	34
2.114	Audit Resolution	35
2.115	Errors	35
<b>2.120</b>	<b>Warranties</b>	<b>35</b>
2.121	Warranties and Representations	35

2.122	RESERVED	36
2.123	RESERVED	36
2.124	RESERVED	36
2.125	RESERVED	36
2.126	RESERVED	36
2.127	RESERVED	36
2.128	RESERVED	36
<b>2.130</b>	<b>Insurance</b>	<b>36</b>
2.131	Liability Insurance	36
2.132	Subcontractor Insurance Coverage	38
2.133	Certificates of Insurance	39
<b>2.140</b>	<b>Indemnification</b>	<b>39</b>
2.141	General Indemnification	39
2.142	RESERVED	39
2.143	Employee Indemnification	39
2.144	Patent/Copyright Infringement Indemnification	39
2.145	Continuation of Indemnification Obligations	40
2.146	Indemnification Procedures	40
<b>2.150</b>	<b>Termination/Cancellation</b>	<b>40</b>
2.151	Notice and Right to Cure	41
2.152	Termination for Cause	41
2.153	Termination for Convenience	41
2.154	Termination for Non-Appropriation	41
2.155	Termination for Criminal Conviction	42
2.156	Termination for Approvals Rescinded	42
2.157	Rights and Obligations upon Termination	42
2.158	Reservation of Rights	42
<b>2.160</b>	<b>Termination by Contractor</b>	<b>43</b>
2.161	Termination by Contractor	43
<b>2.170</b>	<b>Transition Responsibilities</b>	<b>43</b>
2.171	Contractor Transition Responsibilities	43
2.172	Contractor Personnel Transition	43
2.173	Contractor Information Transition	43
2.174	RESERVED	43
2.175	Transition Payments	43
2.176	State Transition Responsibilities	44
<b>2.180</b>	<b>Stop Work</b>	<b>44</b>
2.181	Stop Work Orders	44
2.182	Cancellation or Expiration of Stop Work Order	44
2.183	Allowance of Contractor Costs	44
<b>2.190</b>	<b>Dispute Resolution</b>	<b>44</b>
2.191	In General	44
2.192	Informal Dispute Resolution	45
2.193	Injunctive Relief	45
2.194	Continued Performance	45
<b>2.200</b>	<b>Federal and State Contract Requirements</b>	<b>45</b>
2.201	Nondiscrimination	45
2.202	Unfair Labor Practices	46
2.203	Workplace Safety and Discriminatory Harassment	46
2.204	Prevailing Wage	46
<b>2.210</b>	<b>Governing Law</b>	<b>46</b>
2.211	Governing Law	46
2.212	Compliance with Laws	47
2.213	Jurisdiction	47
<b>2.220</b>	<b>Limitation of Liability</b>	<b>47</b>
2.221	Limitation of Liability	47
<b>2.230</b>	<b>Disclosure Responsibilities</b>	<b>47</b>

2.231	Disclosure of Litigation	47
2.232	Call Center Disclosure	48
2.233	Bankruptcy	48
<b>2.240</b>	<b>Performance</b>	<b>48</b>
2.241	Time of Performance	48
2.242	Service Level Agreement (SLA)	49
2.243	RESERVED	49
2.244	Excusable Failure	49
<b>2.250</b>	<b>Approval of Deliverables</b>	<b>50</b>
2.251	Delivery of Deliverables	50
2.252	RESERVED	50
2.253	Approval of Deliverables, In General	50
2.254	Process for Approval of Written Deliverables	51
2.255	RESERVED	51
2.256	Final Acceptance	51
<b>2.260</b>	<b>Ownership</b>	<b>51</b>
2.261	RESERVED	51
2.262	RESERVED	52
2.263	Rights in Data	52
2.264	Ownership of Materials	52
<b>2.270</b>	<b>State Standards</b>	<b>52</b>
2.271	Existing Technology Standards	52
2.272	Acceptable Use Policy	52
2.273	Systems Changes	52
2.274	Electronic Receipt Processing Standard	52
<b>2.280</b>	<b>Extended Purchasing Program</b>	<b>53</b>
2.281	Extended Purchasing Program	53
<b>2.290</b>	<b>Environmental Provision</b>	<b>53</b>
2.291	Environmental Provision	53
<b>APPENDIX A - VAS Project Cost Table</b>		<b>55</b>
<b>ATTACHMENT 1 – VAS Proposed Solutions and Documents</b>		<b>56</b>
<b>Glossary</b>		<b>91</b>

## **Article 1 – Statement of Work (SOW)**

### **1.000 Project Identification**

#### **1.001 PROJECT REQUEST**

The State of Michigan (SOM, State), through the Department of Technology, Management & Budget (DTMB) has issued a contract with a certified security firm to provide the State of Michigan with Vulnerability Assessment services to validate their information technology (IT) and environmental security posture on an ongoing bases.

The Contracting Security Company and partner(s) will provide different levels of IT security vulnerability assessment services that are defined in detail in 1.104 Work and Deliverables. The teaming expertise will cover as many different IT security vulnerability categories or levels as possible.

VAS services will begin within thirty (30) days after the execution of the contract, as per the date indicated on the cover page of the contract. The negotiated contract will have a term of one five (5) year contract, and two (2) one-year extensions. Contract option year extensions will be at the sole discretion of the SOM and will be based upon funding and acceptable performance of the service as determined by the SOM.

#### **1.002 BACKGROUND**

The State has undertaken a number of security initiatives in the past few years. These initiatives have served the purpose to increase the security posture within the State's IT infrastructure. In light of increasing risks and recent incidents in all sectors across the United States, the State seeks to strengthen its current security posture by purchasing an additional security service that will test and review SOM's network(s), devices, applications, and environment for potential security risks and weaknesses. Services will primarily include vulnerability assessments by conducting vulnerability scans, penetration tests, system configuration reviews, and source code reviews. The scans and penetration testing services will be used to identify and validate configuration and/or technical flaws within a given system or network device (i.e. firewalls, routers, servers, operating systems, applications, databases, load-balancers, PC's, Printers, etc.). Source code reviews and application assessments will be conducted to identify programming errors that may lead to security issues (i.e. format string mistakes, buffer overflows, memory leaks, etc.).

A more inclusive detailed description of the services (work) and deliverables for this contract are provided in Article 1, Section 1.104, Work and Deliverables.

### **1.100 Scope of Work and Deliverables**

#### **1.101 IN SCOPE**

The Contractor will provide a full range of IT Security and Physical Security Vulnerability Assessment Services (VAS) that include:

- defining security testing requirements with SOM agencies,
- providing cost estimates and proposed test schedules
- conducting security inspections, scans, penetration testing, and reviews
- result reporting with remediation and mitigation suggestions

- validation testing after remediation and mitigation actions
- metric reporting of on-going security stature

The following Article 1 sections cover the above requirements in more detail.

#### 1.102 OUT OF SCOPE

All remediation actions will be the responsibility of the State of Michigan.

#### 1.103 ENVIRONMENT

The links below provide information on the State's Enterprise information technology (IT) policies, standards and procedures which includes security policy and procedures, eMichigan web development, and the State Unified Information Technology Environment (SUITE).

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and products provided as a result of this RFP must comply with all applicable State IT policies and standards. **Contractor is required to review all applicable links provided below and state compliance in their response.**

##### **Enterprise IT Policies, Standards and Procedures:**

[http://michigan.gov/dtmb/0,4568,7-150-56355\\_56579\\_56755---,00.html](http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html)

**All software and hardware** items provided by or used by the Contractor on the State of Michigan's network are subject to security scans and reviews and must run on and be compatible with the MDITMB Standard Information Technology Environment. **The Contractor must request, in writing, approval to use software tools in the State of Michigan's IT environment.** The Michigan DTMB-CIP Project Manager must approve any tools, in writing, before use on any information technology project.

It is recognized that technology changes rapidly. The Contractor may request, in writing, a change in the standard environment, providing justification for the requested change and all costs associated with any change. The State's Project Manager must approve any changes, in writing, and MDITMB, before work may proceed based on the changed environment.

##### **Enterprise IT Security Policy and Procedures:**

[http://www.michigan.gov/documents/dmb/1325\\_193160\\_7.pdf](http://www.michigan.gov/documents/dmb/1325_193160_7.pdf)

[http://www.michigan.gov/documents/dmb/1335\\_193161\\_7.pdf](http://www.michigan.gov/documents/dmb/1335_193161_7.pdf)

[http://www.michigan.gov/documents/dmb/1340\\_193162\\_7.pdf](http://www.michigan.gov/documents/dmb/1340_193162_7.pdf)

##### **The State's security environment includes:**

- Multifactor Authentication.
- Secured Socket Layers.
- RSA SecureID (State Security Standard for external network access and high risk Web systems)
- Policies and procedures to achieve compliance with FISMA, NIST, IRS Publication 1075, PCI DSS, and HIPPA HITECH

##### **The State Unified Information Technology Environment (SUITE):**

Includes standards for project management, systems engineering, and associated forms and templates – must be followed: <http://www.michigan.gov/suite>

##### **Agency Specific Technical Environment**

The State of Michigan (SOM) will need random security vulnerability assessments, reviews and scans run as requested by the SOM agencies on all or part of the below and new emerging systems coming into the environment.

- SOM Staff - 50,000
- Servers Windows, Linux and Novell
- Databases - Oracle and Microsoft SQL
- Desktops - Windows
- Network Devices & Peripherals
- Security Devices
- Physical Building Security
- Firewalls, Routers & Switches
- Wireless Networks
- Hosted Cloud services
- Internal & External Applications

## **1.104 WORK AND DELIVERABLES**

### **I. Services and Deliverables**

The Contractors will plan that the services will start in December of 2015.

#### **A. Business Requirements**

The Contractor will work with the DTMB - Michigan Cyber Security (MCS) department to define requirements with each SOM agency requiring a security vulnerability assessment review, penetration test, system review or application assessment / code review. The Contractor will have a standard requirements form to document the network range, environment, devices and/or applications to be included in all vulnerability assessments. The requirements document will define the level of testing to be performed on the network, environment, devices, systems or code to include: general security posture scanning, brute force penetration testing, denial of service attacks, back door attacks, Criminal Justice Information Services (CJIS) Security Policy, Centers for Medicare & Medicaid Services (CMS), Internal Revenue Service (IRS), Payment Card Industry Data Security Standard (PCI DSS), The Health Information Technology for Economic and Clinical Health Act (HITECH) and The Health Insurance Portability and Accountability Act (HIPAA) security posture testing both invasive and non-invasive. MCS personnel, SOM agency personnel and the Contractor technicians will document the scope and level of assessment testing force to be conducted prior to scheduling the work and/or notifications being sent. Invasive testing will be conducted such that daily operations are not impacted and cause lost work time.

All Contractors performing contract services will sign non-disclosure statements and complete a Michigan State Police Background check ICHAT before commencing work on this project. Drug testing certification and RI-8 Fingerprint Card for the National Crime Information Center (NCIC) may also be requested for Contractors in elevated trust positions.

The scope of security vulnerability testing projects will include one or a combination of the following:

- External Network Vulnerability Penetration Testing
- Internal Network Vulnerability Penetration Testing
- Web Application / Database Penetration Testing
- Internal / External Trusted Cloud Assessments

- DMZ or Network Architecture Testing / Reviews
- Wireless Network Penetration Testing
- Virtual Infrastructure Security Penetration Testing
- Server Configuration Scanning / Reviews
- Firewall and Router Configuration Reviews and Testing
- VPN Configuration Reviews and Testing
- Voice over IP Review and Testing
- Social Engineering Testing
- Physical Security Inspections and Testing
- Software Source Code Reviews and Testing
- Application threat Modeling and Design Reviews
- Information Security Policy and Procedure Reviews
- Information Security Risk Assessment Reviews
- Security Awareness Program Reviews
- Incident Response Program Reviews
- Secure SDLC Development Reviews
- PCI Scans in accordance with PCI Security Standards Council and NIST PCI Standards 800-79
- PCI Report on Compliance Assessment or Gap Analysis Reporting
- HIPAA Scans in accordance with Federal Laws, Regulations, & NIST HIPAA Standards 800-66
- HIPAA Report on Compliance Assessment or Gap Analysis Reporting
- CJIS, CMS, IRS Compliance Security Assessments
- Other assessments to determine compliance with State, Federal Laws, Regulations and Industry Recognized Standards
- Revalidation Reviews

Additional detail may be provided in each engagement specific Statements of Work (SOW) for each security assessment project under this contract.

Each security assessment project under this contract will require a completed purchase order with a Statement of Work (SOW) before work may commence by the Contractor. The requirements document will be detailed in such that both MCS and the Contractor can identify the target(s) being tested, scanned or reviewed and the level of testing being done on each layer. Each project under this contract will include a signed Rules of Engagement form located in **Attachment 1 Section 1.104 A. Rules of Engagement (ROE)** that is signed by the Contractor and each SOM Project Manager assigned to the specific project.

The Contractor will have a standard vulnerability check list for system reviews and code review weaknesses that they check for to evaluate web, application systems and databases. If the system reviews are automated the vendor will identify the automated tool(s) and its strengths, benefits and weaknesses, defects.

The Contractor will identify their tool set for scanning the network and devices, and ensure that the findings and mitigations are exportable to a Plan of Action and Milestone's (POA&M) report format which prioritizes the findings by severity and supplies the mitigation action required for each finding. See section 1.104 H. Documentation and 1.302 Reports for further detailed POA&M requirements.

Meetings will be required to review findings and discuss remediation actions with the Contractor, SOM agency and MCS representatives. All meetings will have a preplanned agenda and meeting notes taken to include action items and who is responsible for each action item. Follow up status meetings may require Contractor attendance as determined by the SOM agency and MCS.

Follow up scanning, testing or reviews will be required to validate that findings have been successfully addressed and properly mitigated to eliminate the security risk(s). Each agency will determine how many validation reviews are necessary based on the criticality of compliance regulations they are trying to achieve.

#### **B. Vulnerability Assessment Design Plan(s)**

The Contractor must follow the Technical Solution Architecture Diagram that reflects how they propose to conduct internal and external penetration testing. It will not be assumed that all tests will take place from within the State of Michigan's network or that device and systems are all internal to the State of Michigan. The design document reflects as many security viewpoints of the Open Systems Interconnection (OSI) stack as possible that will be tested and identify the Contractor or Sub-Contractor who will perform the testing and their preferred tools used to test each layer, to include the level of technician expertise required for each. The Physical layer will include Environmental assessments and layer 8 End User testing. The Contractor's Vulnerability Assessment Design Plan will be updated with new tools and the level of technician expertise required as work progresses and new tools are added to provide Vulnerability Assessment services, see **Attachment 1 Section 1.104 B Vulnerability Assessment Design Plan**.

#### **C. Implementation**

The Contractor must follow their Technical and Physical Security Assessment Techniques as depicted in **Attachment 1 Section 1.104 A. Business Requirements and 1.104 A. Security Assessment Process Document and C. Implementation** of their proposal. The Contractor will follow the steps defined in their proposal for implementation to perform the work, automated tools used to do the work, process steps of conducting the work, general time lines to do the work and any safe guard mechanisms used when conducting security reviews and vulnerability security assessments. Contractors will work with SOM MCS staff and conduct overt/white hat security testing and covert/black hat security testing as requested and approved by the State.

#### **D. Vulnerability Assessment Support Services**

The Contractor will assign a designated account manager to the SOM contract so agency work requests can be processed efficiently. The turnaround time frame from the work being requested from the Contractor to the SOM having a price estimate is two weeks, or ten (10) business days. This includes defining and documenting the actual project requirements, providing a price estimate and schedule estimate for SOM approval to start the SOM purchase order (PO) and statement of work (SOW) for the work requested. Once the SOM PO is delivered to the Contractor, work will commence as mutually agreed to by the SOM Agency, MCS and Contractor. Only work defined in the approved PO statement of work will be performed and billed by the Contractor. For additional schedule and price estimate information see 1.301 Reports. The Contractor will follow their proposed Vulnerability Assessment Support Service process defined in **Attachment 1 Section 1.104 D. Vulnerability Assessment Support Services**.

Security Technicians conducting the work will have a minimum of two (2) or more years' experience conducting security vulnerability assessments, hold current security penetration certifications and some form of technical certification or technical work related experience. The same technicians will be assigned to do the SOM work and will hold current Michigan State Police (MSP) background checks as required by all SOM IT personnel. The Contractor's average staffing credentials is defined in **Attachment 1 Section 1.104 D. Vulnerability Assessment Support Services**.

#### **E. Reserved**

**F. Reserved****G. Reserved****H. Documentation**

The Contractor will document the Statement of Work (SOW) scope requirements for each scan, test or review project. The Contractor will work with the agency and create a project plan with a schedule for the different types of scans, tests, or reviews. The project plan schedule should outline the different assessment level steps with expected time frames and identify the level of technician resource for each step. This will assist the agency with planning, notifications and coordination with users or IT monitoring staff.

With each agency SOW the Contractor will need to prepare a cost estimate so a change notification can be created. Once the change notification is approved a purchase order will be created. The cost of services will be included with the project scope requirements and project schedule documents to include all individual security technician charges, along with the total amount of time each process is projected to take in days or hours.

With each project the Contractor will also be required to supply the results from scans, tests, and reviews with recommended remediation actions for review at the debrief follow up meeting(s). The desired format for results should resemble a Plan Of Action & Milestones (POAM) document that is used by Federal Government Agencies from either the Defense Information System Agency (DISA), <http://www.disa.mil/Services/Network-Services/Enterprise-Connections/Mission-Partner-Training-Program/POAM>, the National Institute of Standards and Technology (NIST) at [http://csrc.nist.gov/groups/SMA/fasp/documents/c%26a/POAM\\_template\\_01052007.xls](http://csrc.nist.gov/groups/SMA/fasp/documents/c%26a/POAM_template_01052007.xls) or POAM guidelines recommended by Federal Risk and Authorization Management Program (FedRamp) at <http://cloud.cio.gov/document/plan-action-and-milestones>. The POAM documents will be used to track mitigation actions and compare with follow-up validation scans, tests, or reviews.

Each agency will determine how many validation reviews are necessary based on the critically of compliance regulations they are trying to achieve.

The Contractor will also keep on-going metric's of how many High, Medium, and Low risks are identified with each scan, test and review, so on-going statistics can be tracked and measured to determine the effectiveness of mitigations and on-going scanning, testing, or reviews. This will be a service level requirement to measure the return on investment for continual scanning, testing and reviews.

The Contractor shall use the baseline document formats as proposed in **Attachment 1 Section H. Documentation**.

**I. Reserved****J. Reserved****K. Knowledge Transfer / Remediation Suggestions**

The SOM will require debrief meetings after every vulnerability assessment project to discuss suggested remediation actions to secure all security findings/gaps from the vulnerability assessment. The Contractor will plan for a minimum of a second validation scan, test or review to confirm items have been mitigated, but each agency will determine how many validation reviews are necessary based on the critically of compliance regulations they are trying to achieve.

**L. Reserved**

## II. Reserved

### 1.200 Roles and Responsibilities

#### 1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

##### A. Contractor Staff

The Contractor will provide resumes in the attached Personnel Resume templates in (Attachment 1) for staff, including subcontractors, who will be assigned to the Contract, indicating the duties/responsibilities and qualifications of such personnel, and stating the amount of time each will be assigned to the project. The competence of the personnel the Contractor proposes for this project will be measured by the candidate's education, certifications and experience with particular reference to experience on similar projects as described in this Statement of Work. The Contractor will commit that staff identified will actually perform the assigned work.

The Contractor provided a list of all subcontractors, including firm name, address, contact person, and a complete description of the work to be contracted. The proposed Subcontractors listing can be found in **Attachment 1 Section 1.201 List of all Subcontractors**.

The Contractor will include junior, mid-level, and senior technician resumes for individuals that will be conducting the vulnerability assessment evaluation work.

The Contractor will identify an Account Manager (Key Person). The duties of the Account Manager will include, but not be limited to:

- support the management of the Contract,
- facilitating dispute resolution, and
- advising the State of performance under the terms and conditions of the Contract,
- assist with purchase order processing under this contract
- ensure security technicians meet requirements of SOW
- coordinate with SOM on project schedules
- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage Contractor's subcontractors, if any
- Develop project plan(s), schedules, and update as needed
- Serve as the point person for all project issues
- Oversee project activities of the project team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare project documents and materials
- Manage and report on the project's budget

The State reserves the right to require a change in the current Account Manager if the assigned Account Manager is not, in the opinion of the State, adequately serving the needs of the State.

The Contractor will provide, and update when changed, an organizational chart indicating lines of authority for personnel involved in performance of this Contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level

of management and indicate who within the firm will have prime responsibility and final authority for the work.

All Key Personnel may be subject to the State's interview and approval process. Any key staff substitution must have the prior approval of the State. The State has identified the following as key personnel for this project:

- *Account Manager*
- *Senior Security Technician - Subject Matter Expert*

The Contractor will provide a Senior Security Technician - Subject Matter Expert (SME) Key to interact with the designated personnel from the State to insure a smooth vulnerability assessment. The SME will coordinate all of the technical activities of the Contractor personnel assigned to the project and create all vulnerability, or security review reports required by State. The Contractor's SME responsibilities include, at a minimum:

- Translate vulnerability assessment testing requirements with the agency and define project requirements and proposed schedule
- Coordinate with SOM Cyber Security Technical staff to perform reviews and tests
- Perform and oversee vulnerability assessments
- Report vulnerability results and mitigation actions in debrief meetings
- Perform validation tests to confirm mitigations

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Statement of Work.

## **B. On Site Work Requirements**

### **1. Location of Work**

On site requested work locations where the work is to be performed, completed, and managed are within a thirty (30) mile range of each other in and around Lansing Michigan.

External testing work locations must be identified in the approved SOW.

### **2. Hours of Operation:**

- a. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.
- b. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.
- c. Contractor will observe the same standard holidays as State employees. The State does not compensate for holiday pay.

### **3. Travel:**

- a. No travel or expenses will be reimbursed. This includes travel costs related to training provided to the State by Contractor.
- b. Travel time will not be reimbursed.

### **4. Additional Security and Background Check Requirements:**

Contractor must present certifications evidencing satisfactory Michigan State Police Background checks ICHAT and drug tests for all staff identified for assignment to this project prior to work commencing.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC) Finger Prints, if required by project.

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

## 1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The SOM Agency will specify State personnel dedicated to project, and identify their associated roles and responsibilities.

The State will provide the following resources for the Contractor's use on this project:

- Escort when needed
- Work space
- Printer
- Access to copiers and fax machine
- Meeting rooms

The State project team will consist of Executive Subject Matter Experts (SME's), project support, and a MDTMB Agency project manager:

### Executive Subject Matter Experts

The Executive Subject Matter Experts representing the business units involved will provide the goal for the business and how the penetration testing service will provide for that goal. They will be available on an as needed basis. The Executive SME's will be empowered to:

- Resolve project issues in a timely manner
- Review project plan, status, and issues
- Resolve deviations from project plan
- Provide acceptance sign-off
- Utilize change control procedures
- Ensure timely availability of State resources
- Make key implementation decisions, as identified by the Contractor's Account Manager or SME, within 48-hours of their expected decision date.

Name	Agency/Division	Title	Phone/e-mail
Richard Reasner	DTMB-CIP	Director - MCS	517-241-4090

### State Project Manager- (Agency)

Each SOW will identify a Project Manager who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Project Manager will provide the following services:

- Provide State facilities, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverable/milestone
- Review and sign-off of timesheets and invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Submit SOM Purchase Order requests for each VAS project
- Arrange, schedule and facilitate State staff attendance at all project meetings.

Name	Agency/Division	Title
TBD by SOW	Agency	Project Manager

MDTMB will provide a Contract Administrator whose duties will include, but not be limited to, supporting the management of the Contract.

Name	Agency/Division	Title
Richard Reasner	MDTMB	Contract Administrator

### 1.203 OTHER ROLES AND RESPONSIBILITIES

Each agency will assign a coordinator or primary point of contact when the work request /statement of work is being defined. All sub-projects will have different coordinator's or primary points of contacts to assist with defining project requirements, assigning mitigation actions and IT group coordination as needed to conduct security assessments.

#### 1.300 Contract Planning

### 1.301 CONTRACT ACTIONS

(Project Plans will be based upon individual purchase orders / statements of work for work requests)

#### **Orientation Meeting**

Upon thirty (30) calendar days from execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor. The State will bear no cost for the time and travel of the Contractor for attendance at the meeting.

#### **Performance Review Meetings**

The State will require the Contractor to attend monthly meetings, at a minimum, to review the Contractor's performance under the Contract. The meetings will be held in Lansing, Michigan, or by

teleconference, as mutually agreed by the State and the Contractor. The State will bear no cost for the time and travel of the Contractor for attendance at the meeting.

### Project Control

1. The Contractor will carry out these projects under the direction and control of MDTMB, Cyber Security and Infrastructure Protection agency.
2. Within thirty (30) working days of the execution of the Contract, the Contractor will submit to the State project manager(s):
  - The Contractor's project organizational structure.
  - The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
3. The Contractor will manage the projects in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>
  - a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool will have the capability to produce:
    - Staffing tables with names of personnel assigned to Contract tasks.
    - Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next 180 calendar days, updated semi-monthly).
    - Updates must include actual time spent on each task and a revised estimate to complete.
  - b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

### 1.302 REPORTS

As described above in section 1.104 H. Documentation ongoing statistic reports will be required to reflect the number of High, Medium, and Low security vulnerabilities. This report will include Microsoft Excel graphic charts that reflect trending of HIGH, MEDIUM, and LOW security vulnerabilities. This report should be non-technical in nature with the target audience being executive management.

The POAM report in section 1.104 H. Documentation will be more detailed and technical, listing every High, Medium, and Low finding that action should be taken to fix and/or mitigate. Details of the report will include finding description, category of finding, suggested mitigation, date of finding, each host of the finding if applicable, status of finding, resource group to take action and date of report. This report will serve as the scan, test or review deliverable from each project to SOM, and be discussed at the debrief meeting after the work is completed. Some projects may have additional field elements they want added to the standard POAM format and this will be defined in project requirements with each agency.

The Project requirement document will be prepared with SOM agency managers to ensure the scope of devices, applications, and systems to be tested, reviewed, or scanned is clearly defined, and that the depth of vulnerability testing, penetration testing, reviewing, or scanning and the risks associated are understood by the Contractor and SOM agency. SOM managers will sign off on the requirements before work commences. A copy of the signed requirements document and POAM should be attached to the invoice when invoices are submitted to the SOM so they are processed efficiently.

The invoice will reference all Points of Contact that participated in the VAS project for easy identification and payment processing.

A project schedule and price estimate will be supplied with each VAS project requirement document. This is required to validate the projected time estimate for each level of scan, review, or test and cost estimates, based on the technician's hourly labor rate to complete the work. A cost estimate is required with each VAS project schedule and requirement document to assist the SOM agency in creating a purchase order under this contract. Actual work costs on a project **cannot** exceed the SOM Purchase Order approved costs.

**Reporting formats submitted in the contractor's proposal will be reviewed with the contractor within forty five (45) days of the execution of the contract. Once both parties have agreed to the format of the reports, it will become the standard to follow for the duration of the contract.**

Other required reports will include:

- Weekly Project status report highlighting current activity, next steps and accomplishments
- Action Item status
- Issues
- Change Control

#### **1.400 Project Management**

##### **1.401 ISSUE MANAGEMENT**

An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget.

The Contractor will maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the State's Project Manager on an agreed upon schedule, with email notifications and updates. The issue log must be updated and must contain the following minimum elements:

- Description of issue
- Issue identification date
- Responsibility for resolving issue.
- Priority for issue resolution (to be mutually agreed upon by the State and the Contractor)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description

Issues will be escalated for resolution from level 1 through level 3, as defined below:

- Level 1 – Business leads
- Level 2 – Project Managers/Account Managers
- Level 3 – Executive Subject Matter Experts (SME's)

##### **1.402 RISK MANAGEMENT**

A risk is an unknown circumstance or event that, if it occurs, may have a positive or negative impact on the project.

The Contractor is responsible for establishing a risk management plan and process, including the identification and recording of risk items, prioritization of risks, definition of mitigation strategies, monitoring of risk items, and periodic risk assessment reviews with the State.

A risk management plan format will be submitted to the State for approval within twenty (20) business days after the effective date of the contract resulting from the upcoming RFP. The risk management plan will be developed during the initial planning phase of the project, and be in accordance with the State's PMM methodology. Once both parties have agreed to the format of the plan, it will become the standard to follow for the duration of the contract. The plan must be updated bi-weekly, or as agreed upon.

The Contractor will provide the tool to track risks. The Contractor will work with the State and allow input into the prioritization of risks.

The Contractor is responsible for identification of risks for each phase of the project. Mitigating and/or eliminating assigned risks will be the responsibility of the Contractor. The State will assume the same responsibility for risks assigned to them.

#### **1.403 CHANGE MANAGEMENT**

Change management is defined as the process to communicate, assess, monitor, and control all changes to system resources and processes. The State also employs change management in its administration of the Contract.

If a proposed contract change is approved by the Agency, the Contract Administrator will submit a request for change to the Department of Technology, Management and Budget, Procurement Buyer, who will make recommendations to the Director of DTMB-Procurement regarding ultimate approval/disapproval of change request. If the DTMB Procurement Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the DTMB-Procurement Buyer will issue an addendum to the Contract, via a Contract Change Notice. Contractors who provide products or services prior to the issuance of a Contract Change Notice by the DTMB-Procurement, risk non-payment for the out-of-scope/pricing products and/or services.

The Contractor must employ change management procedures to handle such things as "out-of-scope" requests or changing business needs of the State while the project is underway.

The Contractor will employ the change control methodologies to justify changes in the project environment, and to ensure those changes will not adversely affect costs or service level to be delivered.

#### **1.500 Acceptance**

##### **1.501 CRITERIA**

Deliverables that are documents must:

- Be allowed no less than five (5) business days for review by the State of Michigan.
- Be in electronic format, compatible with the State of Michigan software in accordance with Article 1.302.
- Provide a heading indicating document name on each page
- Provide page number and "of pages" on each page.
- Provide an "as of" date.
- Indicate final and not draft status
- Reflect correction of feedback provided by the State, regarding but not limited to, level of detail and clarifications.
- Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager.

The approval process is defined in more detail in the terms and conditions and also discussed in Section 1.104.

### **1.502 FINAL ACCEPTANCE**

The following requirements for final project acceptance apply:

- That all service deliverables defined in each purchase order Statement of Work have been completed and approved in writing by the DTMB Project Manager.
- That debrief meetings with mitigations have been validated by a follow-up validation test to confirm required mitigations were successful.
- Final acceptance of the DTMB Project Manager on each project invoice for each Vulnerability Assessment project accepting all deliverables.

### **1.600 Compensation and Payment**

#### **1.601 COMPENSATION AND PAYMENT**

##### **Method of Payment**

Work to be performed will be generated via a contractor quote and a Statement of Work (SOW) which will create a change notification to the overall contract with a purchase order being created thereafter.

The VAS project(s) will be invoiced and paid at a firm fixed price rate per category of employee or title type required to deliver each projects services. The Costs Table(s) attached in **Appendix A** must be used as the format for submitting fixed hourly pricing rates that will be used for the creation of all VAS cost estimates submitted by the Contractor for the duration of this contract.

Invoices will not be paid for more than the approved purchase order amount and will only be paid when each projects deliverables have been completed and signed off on by the SOM agency Manager.

The selected Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Extended purchasing program volume requirements are not included, unless stated otherwise.

##### **Travel**

The State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc. Travel time will not be reimbursed.

##### **Out-of-Pocket Expenses**

Contractor out-of-pocket expenses are not separately reimbursable by the State.

##### **Statements of Work and Issuance of Purchase Orders**

- Unless otherwise agreed by the parties, each Statement of Work will include:
  1. Background
  2. Project Objective
  3. Scope of Work
  4. Deliverables
  5. Acceptance Criteria
  6. Project Control and Reports
  7. Specific Department Standards
  8. Payment Schedule
  9. Travel and Expenses

10. Project Contacts
11. Agency Responsibilities and Assumptions
12. Location of Where the Work is to be performed
13. Expected Contractor Work Hours and Conditions

- The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders (PO) executed under this Contract. The Contractor will not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract. Contractor will perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.

### Invoicing

Contractor will submit properly itemized invoices to

DTMB – Financial Services  
 Accounts Payable  
 P.O. Box 30026  
 Lansing, MI 48909  
 or  
[DTMB-Accounts-Payable@michigan.gov](mailto:DTMB-Accounts-Payable@michigan.gov)

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor(s) name, address, phone number, and Federal Tax Identification Number;
- Project POC's worked with;
- Description of services or deliverables;
- Date(s) of work performed;
- Total hours worked of each service level;
- Hourly charge Rate for each service level;
- Net invoice price for each item;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

**The Contractor will need to attach a copy of the related SOM approved project requirements document, project plan schedule, cost estimate and approved purchase order with each project invoice submitted. Contractor invoices will be returned if a copy of the project requirements document, schedule, cost estimate and approved purchase order are not affixed to the invoice. The invoice will not exceed the approved purchase order amount for services.**

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

**1.602 RESERVED**

## **Article 2, Terms and Conditions**

### **2.000 Contract Structure and Term**

#### **2.001 CONTRACT TERM**

This Contract is for a period of five (5) years beginning November 17, of 2015 through November 17 of 2020. All outstanding Purchase Orders must also expire upon the termination for any of the reasons listed in **Section 2.150** of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

#### **2.002 OPTIONS TO RENEW**

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to two (2) additional one (1) year periods.

#### **2.003 LEGAL EFFECT**

Contractor accepts this Contract by signing two copies of the Contract and returning them to the DTMB-Procurement. The Contractor will not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State will not be liable for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract or Change Order has been approved by the State Administrative Board, signed by all the parties and a Purchase Order against the Contract has been issued.

#### **2.004 ATTACHMENTS & EXHIBITS**

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing this Contract, are incorporated in their entirety and form part of this Contract.

#### **2.005 ORDERING**

The State must issue an approved written Purchase Order to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on a Purchase Order apply unless they are specifically contained in that Purchase Order's accompanying Statement of Work. Exact quantities to be purchased will be known for each project Purchase Order under this contract and the Contractor will be obligated to only furnish services and deliverables defined in each purchase order as outlined in this Contract.

#### **2.006 ORDER OF PRECEDENCE**

The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only), provided, however, that a Statement of Work may not modify or amend the terms of the Contract. The Contract may be modified or amended only by a formal Contract amendment.

#### **2.007 HEADINGS**

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of the Contract.

#### **2.008 FORM, FUNCTION & UTILITY**

If the Contract is for use of more than one State agency and if the Deliverable/Services do not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

#### **2.009 REFORMATION AND SEVERABILITY**

Each provision of the Contract is severable from all other provisions of the Contract and, if one or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract remain in full force and effect.

#### **2.010 Consents and Approvals**

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

#### **2.011 NO WAIVER OF DEFAULT**

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

#### **2.012 SURVIVAL**

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section

#### **2.020 Contract Administration**

#### **2.021 ISSUING OFFICE**

This Contract is issued by the Department of Technology, Management and Budget, Procurement and Cybersecurity & Infrastructure Protection (collectively, including all other relevant State of Michigan departments and agencies, the "State"). DTMB-Procurement is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The DTMB-Procurement Contract Administrator for this Contract is:

Michael Breen, Buyer  
Procurement  
Department of Technology, Management and Budget  
Constitution Hall  
530 West Allegan  
Lansing, MI 48913  
Email: BreenM@michigan.gov  
Phone: 517-284-7002

#### **2.022 CONTRACT COMPLIANCE INSPECTOR**

The Director of DTMB-Procurement directs the person named below, or his or her designee, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. **Monitoring Contract**

activities does not imply the authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract. DTMB-Procurement is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract. The Contract Compliance Inspector for this Contract is:

Richard Reasner, Director of Michigan Cyber Security  
 Department of Technology, Management and Budget  
 515 Westshire Drive, Lansing, MI 48913  
 Email: ReasnerR@michigan.gov  
 Phone: (517) 241-4090  
 Fax: (517) 241-2013

## **2.023 PROJECT MANAGER**

The following individual will oversee the project:

To Be Determined per agency Statement of Work (SOW)

## **2.024 CHANGE REQUESTS**

The State reserves the right to request from time to time any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, Contractor will provide a detailed outline of all work to be done, including tasks necessary to accomplish the Additional Services/Deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the State requests or directs the Contractor to perform any Services/Deliverables that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly before commencing performance of the requested activities it believes are New Work. If the Contractor fails to notify the State before commencing performance of the requested activities, any such activities performed before the Contractor gives notice will be conclusively considered to be in-scope Services/Deliverables and not New Work.

If the State requests or directs the Contractor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then before performing such Services or providing such Deliverables, the Contractor will notify the State in writing that it considers the Services or Deliverables to be an Additional Service/Deliverable for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor will have no right to claim thereafter that it is entitled to additional compensation for performing that Service or providing that Deliverable. If the Contractor does so notify the State, then such a Service or Deliverable will be governed by the Change Request procedure in this Section.

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work will be subject to competitive bidding based upon the specifications.

### **(1) Change Request at State Request**

If the State requires Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State will submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").

### **(2) Contractor Recommendation for Change Requests:**

- Contractor will be entitled to propose a Change to the State, on its own initiative, should Contractor believe the proposed Change would benefit the Contract.
- (3) Upon receipt of a Change Request or on its own initiative, Contractor will examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and will submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates will apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it will communicate its opinion to the State but will nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.
  - (4) By giving Contractor written notice within a reasonable time, the State will be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").
  - (5) No proposed Change will be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Technology, Management and Budget, Procurement.
  - (6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

## 2.025 NOTICES

Any notice given to a party under the Contract must be deemed effective, if addressed to the party as addressed below, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

State:

### Delivery or Courier

State of Michigan  
DTMB-Procurement  
Attention:  
1<sup>st</sup> Floor, Constitution Hall  
525 West Allegan  
Lansing, Michigan 48933-1502

### United States Postal Service

State of Michigan  
DTMB-Procurement  
Attention:  
PO Box 30026  
Lansing, MI 48909-7526

### Contractor:

Cyber Defense Technologies  
1818 Library Street, Suite 500  
Reston, VA 20190

Either party may change its address where notices are to be sent by giving notice according to this Section.

## 2.026 BINDING COMMITMENTS

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon giving written notice.

## **2.027 RELATIONSHIP OF THE PARTIES**

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors will be deemed to be an employee, agent or servant of the State for any reason. Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

## **2.028 COVENANT OF GOOD FAITH**

Each party will act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

## **2.029 ASSIGNMENTS**

Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties and the requirement under the Contract that all payments must be made to one entity continues.

If the Contractor intends to assign the contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

## **2.030 General Provisions**

### **2.031 ADMINISTRATIVE FEE AND REPORTING**

The Contractor must remit an administrative fee of 1% on all payments remitted to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), MiDEAL members, and other states (including governmental subdivisions and authorized entities). Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales.

Itemized purchasing activity reports should be mailed to DTMB-Procurement and the administrative fee payments will be made by check payable to the State of Michigan and mailed to:

The Department of Technology, Management and Budget  
Financial Services – Cashier Unit

Lewis Cass Building  
320 South Walnut St.  
P.O. Box 30681  
Lansing, MI 48909

The administrative fee and purchasing activity report are due within 30 calendar days from the last day of each quarter.

#### **2.032 MEDIA RELEASES**

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Contract or project to which it relates will not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

#### **2.033 CONTRACT DISTRIBUTION**

DTMB-Procurement retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by DTMB-Procurement.

#### **2.034 PERMITS**

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State will pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

#### **2.035 WEBSITE INCORPORATION**

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

#### **2.036 FUTURE BIDDING PRECLUSION**

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any Bidder if the State determines that the Bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP.

#### **2.037 FREEDOM OF INFORMATION**

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

#### **2.038 DISASTER RECOVERY**

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

**2.040 Financial Provisions****2.041 FIXED PRICES FOR SERVICES/DELIVERABLES**

Each Statement of Work or Purchase Order issued under this Contract will specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts.

**2.042 RESERVED****2.043 SERVICES/DELIVERABLES COVERED**

The State will not be obligated to pay any amounts in addition to the charges specified in this Contract or approved Purchase Orders for Services/Deliverables to be provided by Contractor and its Subcontractors, if any, under this Contract.

**2.044 INVOICING AND PAYMENT – IN GENERAL**

- (a) Each Statement of Work issued under this Contract will list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables to be provided, and the associated payment milestones and payment amounts.
- (b) Each Contractor invoice will show details as defined in Article 1 1.600 Invoicing. Invoices for Services performed on this contract will show, for each individual, the number of hours of Services performed during the project period, the billable skill/labor category for such person and the applicable hourly billing rate.
- (c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

(d1) All invoices should reflect actual work done.

**2.045 RESERVED****2.046 ANTITRUST ASSIGNMENT**

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

**2.047 FINAL PAYMENT**

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract will constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

**2.048 ELECTRONIC PAYMENT REQUIREMENT**

Electronic transfer of funds is required for payments on State Contracts. Contractors are required to register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in Public Act 431 of 1984, all contracts that the State enters into for the purchase of goods and services will provide that payment will be made by electronic fund transfer (EFT).

**2.050 Taxes****2.051 EMPLOYMENT TAXES**

Contractor will collect and pay all applicable federal, state, and local employment taxes, including the taxes.

**2.052 SALES AND USE TAXES**

Contractor will register and remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining "two or more trades or businesses under common control" the term "organization" means sole proprietorship, a partnership (as defined in § 701(a)(2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

**2.060 Contract Management****2.061 CONTRACTOR PERSONNEL QUALIFICATIONS**

All persons assigned by Contractor to the performance of Services under this Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

**2.062 CONTRACTOR KEY PERSONNEL**

- (a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
- (b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
- (c) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed

by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.

- (e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

#### **2.063 RE-ASSIGNMENT OF PERSONNEL AT THE STATE'S REQUEST**

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

#### **2.064 CONTRACTOR PERSONNEL LOCATION**

All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

#### **2.065 CONTRACTOR IDENTIFICATION**

Contractor employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

#### **2.066 COOPERATION WITH THIRD PARTIES**

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor will provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with the requests for access.

#### **2.067 CONTRACT MANAGEMENT RESPONSIBILITIES**

Contractor will be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services. Contractor will have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with the Project Plan is likely to delay the timely achievement of any Contract tasks.

The Contractor will provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, will be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

#### **2.068 CONTRACTOR RETURN OF STATE EQUIPMENT/RESOURCES**

The Contractor will return to the State any State-furnished facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

#### **2.070 Subcontracting by Contractor**

#### **2.071 CONTRACTOR FULL RESPONSIBILITY**

Contractor will have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

#### **2.072 STATE CONSENT TO DELEGATION**

Contractor will not delegate any duties under this Contract to a Subcontractor unless the Department of Technology, Management and Budget, Procurement has given written consent to such delegation. The State will have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request will be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request will be based on legitimate, good faith reasons. Replacement Subcontractor(s) for the removed Subcontractor will be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

#### **2.073 SUBCONTRACTOR BOUND TO CONTRACT**

In any subcontracts entered into by Contractor for the performance of the Services, Contractor will require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor will remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor will make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract will not relieve Contractor of any obligations or performance required under this Contract. A list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract is attached.

#### **2.074 FLOW DOWN**

Except where specifically approved in writing by the State on a case-by-case basis, Contractor will flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, and 2.200** in all of its agreements with any Subcontractors.

## **2.075 COMPETITIVE SELECTION**

The Contractor will select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

## **2.080 State Responsibilities**

### **2.081 EQUIPMENT**

The State will provide only the equipment and resources identified in the Statement of Work and other Contract Exhibits.

### **2.082 FACILITIES**

The State must designate space as long as it is available and as provided in the Statement of Work, to house the Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor will have reasonable access to, and unless agreed otherwise by the parties in writing must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

## **2.090 Security**

### **2.091 BACKGROUND CHECKS**

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

## **2.100 Confidentiality**

### **2.101 CONFIDENTIALITY**

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below), which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under this Contract, is marked as

confidential, proprietary or with a similar designation by the State. "Confidential Information" excludes any information (including this Contract) that is publicly available under the Michigan FOIA.

## **2.102 PROTECTION AND DESTRUCTION OF CONFIDENTIAL INFORMATION**

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

## **2.103 PCI DATA SECURITY STANDARD**

(a) Contractors that process, transmit or store credit/debit cardholder data, must adhere to the Payment Card Industry (PCI) Data Security Standards. The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law.

(b) The Contractor must notify the CCI (within 72 hours of discovery) of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the Visa, MasterCard, Discover and state Acquirer representative(s), and/or a PCI approved third party to conduct a thorough security review. The Contractor must make the forensic report available within two weeks of completion. The review must validate compliance with the current PCI Data Security Standards for protecting cardholder data.

(c) The Contractor must properly dispose of cardholder data, in compliance with DTMB policy, when it is no longer needed. The Contractor must continue to treat cardholder data as confidential upon contract termination.

(d) The Contractor must provide the CCI with an annual Attestation of Compliance (AOC) or a Report on Compliance (ROC) showing the contractor is in compliance with the PCI Data Security Standards. The Contractor must notify the CCI of all failures to comply with the PCI Data Security Standard.

## **2.104 EXCLUSIONS**

Notwithstanding the foregoing, the provisions in this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful

right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

#### **2.105 NO IMPLIED RIGHTS**

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

#### **2.106 SECURITY BREACH NOTIFICATION**

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 72 hours of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

#### **2.107 RESPECTIVE OBLIGATIONS**

The parties' respective obligations under this Section must survive the termination or expiration of this Contract for any reason.

#### **2.110 Records and Inspections**

#### **2.111 RESERVED**

#### **2.112 RETENTION OF RECORDS**

(a) The Contractor must retain all financial and accounting records related to this Contract for a period of 5 years after the Contractor performs any work under this Contract (Audit Period).

(b) If an audit, litigation, or other action involving the Contractor's records is initiated before the end of the Audit Period, the Contractor must retain the records until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

#### **2.113 EXAMINATION OF RECORDS**

(a) The State, upon 10 day notice to the Contractor, may examine and copy any of the Contractor's records that relate to this Contract any time during the Audit Period. The State does not have the right to review any information deemed confidential by the Contractor if access would require the information to become publicly available. This requirement also applies to the records of any parent, affiliate, or subsidiary organization of the Contractor, or any Subcontractor that performs services in connection with this Contract

(b) In addition to the rights conferred upon the State in paragraph (a) of this section and in accordance with MCL 18.1470, DTMB or its designee may audit the Contractor to verify compliance with the Contract. The financial and accounting records associated with the Contract will be made available to DTMB or its designee and the auditor general, upon request, during the term of the Contract and any extension of the Contract and for 3 years after the later of the expiration date or final payment under the Contract.

**2.114 AUDIT RESOLUTION**

If necessary, the Contractor and the State will meet to review any audit report promptly after its issuance. The Contractor must respond to each report in writing within 30 days after receiving the report, unless the report specifies a shorter response time. The Contractor and the State must develop, agree upon, and monitor an action plan to promptly address and resolve any deficiencies, concerns, or recommendations in the report.

**2.115 ERRORS**

(a) If an audit reveals any financial errors in the records provided to the State, the amount in error must be reflected as a credit or debit on the next invoice and subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried forward for more than four invoices or beyond the termination of the Contract. If a balance remains after four invoices, the remaining amount will be due as a payment or refund within 45 days of the last invoice on which the balance appeared or upon termination of the Contract, whichever is earlier.

(b) In addition to other available remedies, if the difference between the State's actual payment and the correct invoice amount, as determined by an audit, is greater than 10%, the Contractor must pay all reasonable audit costs.

**2.120 Warranties****2.121 WARRANTIES AND REPRESENTATIONS**

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) Reserved
- (d) Reserved
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other Bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other Bidder; and no attempt was

made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.

- (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.
- (l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- (m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.
- (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Technology, Management and Budget, Procurement.

#### 2.122 RESERVED

#### 2.123 RESERVED

#### 2.124 RESERVED

#### 2.125 RESERVED

#### 2.126 RESERVED

#### 2.127 RESERVED

#### 2.128 RESERVED

### 2.130 Insurance

#### 2.131 LIABILITY INSURANCE

For the purpose of this Section, "State" includes its departments, divisions, agencies, offices, commissions, officers, employees, and agents.

(a) The Contractor must provide proof that it has obtained the minimum levels of insurance coverage indicated or required by law, whichever is greater. The insurance must protect the State from claims that may arise out of, or result from, or are alleged to arise out of, or result from, the Contractor's or a Subcontractor's performance, including any person directly or indirectly employed by the Contractor or a Subcontractor, or any person for whose acts the Contractor or a Subcontractor may be liable.

(b) The Contractor waives all rights against the State for the recovery of damages that are covered by the insurance policies the Contractor is required to maintain under this Section. The Contractor's failure to obtain and maintain the required insurance will not limit this waiver.

(c) All insurance coverage provided relative to this Contract is primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State.

(d) The State, in its sole discretion, may approve the use of a fully-funded self-insurance program in place of any specified insurance identified in this Section.

(e) Unless the State approves otherwise, any insurer must have an A.M. Best rating of "A" or better and a financial size of VII or better, or if those ratings are not available, a comparable rating from

an insurance rating agency approved by the State. All policies of insurance must be issued by companies that have been approved to do business in the State.

(f) Where specific coverage limits are listed in this Section, they represent the minimum acceptable limits. If the Contractor's policy contains higher limits, the State is entitled to coverage to the extent of the higher limits.

(g) The Contractor must maintain all required insurance coverage throughout the term of this Contract and any extensions. However, in the case of claims-made Commercial General Liability policies, the Contractor must secure tail coverage for at least three (3) years following the termination of this Contract.

(h) The Contractor must provide, within five (5) business days, written notice to the Director of DTMB-Procurement if any policy required under this section is cancelled. The notice must include the applicable Contract or Purchase Order number.

(i) The minimum limits of coverage specified are not intended, and may not be construed, to limit any liability or indemnity of the Contractor to any indemnified party or other persons.

(j) The Contractor is responsible for the payment of all deductibles.

(k) If the Contractor fails to pay any premium for a required insurance policy, or if any insurer cancels or significantly reduces any required insurance without the State's approval, the State may, after giving the Contractor at least 30 days' notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or require the Contractor to pay that cost upon demand.

(l) In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Michigan Attorney General.

(m) The Contractor is required to pay for and provide the type and amount of insurance checked ☒ below:

☒ **(i) Commercial General Liability**

Minimal Limits:

\$2,000,000 General Aggregate Limit other than Products/Completed Operations  
 \$2,000,000 Products/Completed Operations Aggregate Limit  
 \$1,000,000 Personal & Advertising Injury Limit, and  
 \$1,000,000 Each Occurrence Limit.

Deductible Maximum:

\$50,000 Each Occurrence

Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that the insurance policy contains a waiver of subrogation by the insurance company.

☒ **(iii) Motor Vehicle**

Minimal Limits:

If a motor vehicle is used in relation to the Contractor's performance, the Contractor must have vehicle liability insurance on the motor vehicle for bodily injury and property damage as required by law.

☒ **(v) Workers' Compensation**

Minimal Limits:

The Contractor must provide Workers' Compensation coverage according to applicable laws governing work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, the Contractor must provide proof of an approved self-insured authority by the jurisdiction of domicile.

For employees working outside of the state of the Contractor's domicile, the Contractor must provide certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Additional Requirements:

The Contractor must provide the applicable certificates of insurance and a list of states where the coverage is applicable. Contractor must provide proof that the Workers' Compensation insurance policies contain a waiver of subrogation by the insurance company, except where such a provision is prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

☒ (vi) Employers Liability

Minimal Limits:

\$100,000 Each Incident  
\$100,000 Each Employee by Disease  
\$500,000 Aggregate Disease

Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate.

☒ (viii) Professional Liability (Errors and Omissions)

Minimal Limits:

\$3,000,000 Each Occurrence  
\$3,000,000 Annual Aggregate

Deductible Maximum:

\$50,000 Per Loss

☒ (ix) Privacy and Security Liability (Cyber Liability)

Minimal Limits:

\$1,000,000 Each Occurrence  
\$1,000,000 Annual Aggregate

Additional Requirements:

Insurance should cover (a) unauthorized acquisition, access, use, physical taking, identity theft, mysterious disappearance, release, distribution or disclosures of personal and corporate information; (b) transmitting or receiving malicious code via the insured's computer system; (c) denial of service attacks or the inability to access websites or computer systems.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate.

## 2.132 SUBCONTRACTOR INSURANCE COVERAGE

Except where the State has approved a subcontract with other insurance provisions, the Contractor must require any Subcontractor to purchase and maintain the insurance coverage required in Section 2.13.1, Liability Insurance. Alternatively, the Contractor may include a Subcontractor under the Contractor's insurance on the coverage required in that Section. The failure of a Subcontractor to comply with insurance requirements does not limit the Contractor's liability or responsibility.

**2.133 CERTIFICATES OF INSURANCE**

Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents are listed as additional insureds as required. The Contractor must provide DTMB-Procurement(or agency if agency issued RFP) with all applicable certificates of insurance verifying insurance coverage or providing, if approved, satisfactory evidence of self-insurance as required in Section 2.13.1, Liability Insurance. Each certificate must be on the standard "Accord" form or equivalent and MUST IDENTIFY THE APPLICABLE CONTRACT OR PURCHASE ORDER NUMBER.

**2.140 Indemnification****2.141 GENERAL INDEMNIFICATION**

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

**2.142 RESERVED****2.143 EMPLOYEE INDEMNIFICATION**

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

**2.144 PATENT/COPYRIGHT INFRINGEMENT INDEMNIFICATION**

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the

Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

## **2.145 CONTINUATION OF INDEMNIFICATION OBLIGATIONS**

The Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

## **2.146 INDEMNIFICATION PROCEDURES**

The procedures set forth below must apply to all indemnity obligations under this Contract.

- (a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim; and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.
- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

## **2.150 Termination/Cancellation**

**2.151 NOTICE AND RIGHT TO CURE**

If the Contractor breaches the contract, and the State in its sole discretion determines that the breach is curable, then the State will provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

**2.152 TERMINATION FOR CAUSE**

- (a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State
- (b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.
- (c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.
- (d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

**2.153 TERMINATION FOR CONVENIENCE**

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for convenience must cease on the effective date of the termination.

**2.154 TERMINATION FOR NON-APPROPRIATION**

- (a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

- (b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.
- (c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

#### **2.155 TERMINATION FOR CRIMINAL CONVICTION**

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

#### **2.156 TERMINATION FOR APPROVALS RESCINDED**

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

#### **2.157 RIGHTS AND OBLIGATIONS UPON TERMINATION**

- (a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.
- (b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
- (c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

#### **2.158 RESERVATION OF RIGHTS**

Any termination of this Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

#### **2.160 Termination by Contractor**

##### **2.161 TERMINATION BY CONTRACTOR**

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.160** before it terminates the Contract.

#### **2.170 Transition Responsibilities**

##### **2.171 CONTRACTOR TRANSITION RESPONSIBILITIES**

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor will comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed thirty (30) days. These efforts must include, but are not limited to, those listed in **Section 2.150**.

##### **2.172 CONTRACTOR PERSONNEL TRANSITION**

The Contractor will work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

##### **2.173 CONTRACTOR INFORMATION TRANSITION**

The Contractor will provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

##### **2.174 RESERVED**

##### **2.175 TRANSITION PAYMENTS**

If the transition results from a termination for any reason, the termination provisions of this Contract must govern reimbursement. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

## **2.176 STATE TRANSITION RESPONSIBILITIES**

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to reconcile all accounts between the State and the Contractor, complete any pending post-project reviews and perform any others obligations upon which the State and the Contractor agree.

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.

### **2.180 Stop Work**

## **2.181 STOP WORK ORDERS**

The State may, at any time, by written Stop Work Order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the Stop Work Order is delivered to Contractor, and for any further period to which the parties may agree. The Stop Work Order must be identified as a Stop Work Order and must indicate that it is issued under this **Section**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the Stop Work Order as provided in **Section 2.182**.

## **2.182 CANCELLATION OR EXPIRATION OF STOP WORK ORDER**

The Contractor will resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract will be modified, in writing, accordingly, if: (a) the Stop Work Order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.024**.

## **2.183 ALLOWANCE OF CONTRACTOR COSTS**

If the Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated for reasons other than material breach, the termination will be deemed to be a termination for convenience under **Section 2.153**, and the State will pay reasonable costs resulting from the Stop Work Order in arriving at the termination settlement. For the avoidance of doubt, the State will not be liable to Contractor for loss of profits because of a Stop Work Order issued under this **Section**.

### **2.190 Dispute Resolution**

## **2.191 IN GENERAL**

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by

Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

## **2.192 INFORMAL DISPUTE RESOLUTION**

(a) All disputes between the parties will be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any dispute after compliance with the processes, the parties must meet with the Director of Procurement, DTMB, or designee, to resolve the dispute without the need for formal legal proceedings, as follows:

(1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter at issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives will discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(2) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.

(3) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(4) Following the completion of this process within 60 calendar days, the Director of Procurement, DTMB, or designee, will issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

## **2.193 INJUNCTIVE RELIEF**

A claim between the State and the Contractor is not subject to the provisions of Section 2.192, Informal Dispute Resolution, where a party makes a good faith determination that a breach of the Contract by the other party will result in damages so immediate, so large or severe, and so incapable of adequate redress that a temporary restraining order or other injunctive relief is the only adequate remedy.

## **2.194 CONTINUED PERFORMANCE**

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in Section 2.150, as the case may be.

## **2.200 Federal and State Contract Requirements**

### **2.201 NONDISCRIMINATION**

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, and marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any

purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

## **2.202 UNFAIR LABOR PRACTICES**

Under 1980 PA 278, MCL 423.321, et seq., the State will not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, will not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

## **2.203 WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT**

In performing Services for the State, the Contractor will comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor will comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

## **2.204 PREVAILING WAGE**

Wages rates and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this Contract in privity of contract with the Contractor will not be less than the wage rates and fringe benefits established by the Michigan Department of Licensing and Regulatory Affairs, Wage and Hour Division, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor will include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of this contract in privity of contract with the Contractor will keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the Contract. Contractor will also post, in a conspicuous place, the address and telephone number of the Michigan Department of Licensing and Regulatory Affairs, the agency responsible for enforcement of the wage rates and fringe benefits. Contractor will keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record will be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted will also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

### **2.210 Governing Law**

## **2.211 GOVERNING LAW**

The Contract will in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

**2.212 COMPLIANCE WITH LAWS**

Contractor will comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

**2.213 JURISDICTION**

Any dispute arising from the Contract will be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

**2.220 Limitation of Liability****2.221 LIMITATION OF LIABILITY**

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorneys' fees awarded by a court in addition to damages after litigation based on this Contract.

The Contractor's liability for damages to the State is limited to two times the value of the Contract or \$1,000,000.00 whichever is higher. The foregoing limitation of liability does not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorneys' fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor is limited to the value of the Contract.

**2.230 Disclosure Responsibilities****2.231 DISCLOSURE OF LITIGATION**

Contractor will disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) will notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor will disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
  - (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
  - (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
- (c) Contractor will make the following notifications in writing:
  - (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DTMB-Procurement.
  - (2) Contractor will also notify DTMB Procurement within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
  - (3) Contractor will also notify DTMB-Procurement within 30 days whenever changes to company affiliations occur.

#### **2.232 CALL CENTER DISCLOSURE**

Contractor and/or all subcontractors involved in the performance of this Contract providing call or contact center services to the State will disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of this Contract.

#### **2.233 BANKRUPTCY**

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process will be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

#### **2.240 Performance**

#### **2.241 TIME OF PERFORMANCE**

- (a) Contractor will use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 2.241**, Contractor will notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the

Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

#### **2.242 SERVICE LEVEL AGREEMENT (SLA)**

- (a) Chronic Failure for any Service(s) provided will be defined as three unscheduled outage(s) or interruption(s) on any individual network, system, or application for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 60 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.
- (b) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.

#### **2.243 RESERVED**

#### **2.244 EXCUSABLE FAILURE**

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are

caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

## **2.250 Approval of Deliverables**

### **2.251 DELIVERY OF DELIVERABLES**

A list of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable") or a Software Deliverable is attached, if applicable. All Deliverables will be completed and delivered for State review and written approval and, where applicable, installed in accordance with the State-approved delivery schedule and any other applicable terms and conditions of this Contract.

Prior to delivering any Deliverable to the State, Contractor will first perform all required quality assurance activities, and, in the case of Software Deliverables, System Testing to verify that the Deliverable is complete and in conformance with its specifications. Before delivering a Deliverable to the State, Contractor will certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, (4) the Deliverable is in a suitable state of readiness for the State's review, use and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

### **2.252 RESERVED**

### **2.253 APPROVAL OF DELIVERABLES, IN GENERAL**

All Deliverables (Written Deliverables) require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications. The parties acknowledge that the approval process set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.

The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables being reviewed. If Contractor fails to provide a Deliverable to the State in a timely manner, the State will nevertheless use commercially reasonable efforts to complete its review or testing within the applicable State Review Period.

Before commencement of its review, the State may inspect the Deliverable to confirm that all components of the Deliverable (e.g., associated documentation, and other materials) have been delivered. If the State determines that the Deliverable is incomplete, the State may refuse delivery of the Deliverable without performing any further inspection. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable and the applicable certification by Contractor in accordance with this Section.

The State will approve in writing a Deliverable upon confirming that it conforms to and, in the case of a Software Deliverable, performs in accordance with, its specifications without material deficiency. The State may, but will not be required to, conditionally approve in writing a Deliverable that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable that remain outstanding at the time of State approval.

If, after three (3) opportunities (the original and two repeat efforts), the Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, the State may: (i) demand that Contractor cure

the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor will bear any excess expenditure incurred by the State in so doing beyond the contract price for such Deliverable and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). Notwithstanding the foregoing, the State will not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

The State, at any time and in its own discretion, may halt the UAT or approval process if such process reveals deficiencies in or problems with a Deliverable in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the review or UAT process and, in that event, Contractor will correct the deficiencies in such Deliverable in accordance with the Contract, as the case may be.

Approval in writing of a Deliverable by the State will be provisional; that is, such approval will not preclude the State from later identifying deficiencies in, and declining to accept, a subsequent Deliverable based on or which incorporates or inter-operates with an approved Deliverable, to the extent that the results of subsequent review or testing indicate the existence of deficiencies in the subsequent Deliverable, or if the Application of which the subsequent Deliverable is a component otherwise fails to be accepted pursuant to **Section 2.080**.

#### **2.254 PROCESS FOR APPROVAL OF WRITTEN DELIVERABLES**

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, will be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that will be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

#### **2.255 RESERVED**

#### **2.256 FINAL ACCEPTANCE**

"Final Acceptance" will be considered to occur when the Deliverable(s) and services to be delivered has been approved by the State and accepted in writing without outstanding deficiencies in the Deliverable(s) or services. The State will nevertheless grant Final Acceptance of the Project deliverable(s) in writing.

#### **2.260 Ownership**

#### **2.261 RESERVED**

**2.262 RESERVED****2.263 RIGHTS IN DATA**

The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

**2.264 OWNERSHIP OF MATERIALS**

The State and the Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.

**2.270 State Standards****2.271 EXISTING TECHNOLOGY STANDARDS**

The Contractor must adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dmb/0,4568,7-150-56355-108233--00.html>.

**2.272 ACCEPTABLE USE POLICY**

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see [http://michigan.gov/cybersecurity/0,1607,7-217-34395\\_34476---00.html](http://michigan.gov/cybersecurity/0,1607,7-217-34395_34476---00.html). All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

**2.273 SYSTEMS CHANGES**

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes the Contractor makes to State systems with the State's approval must be done according to applicable State procedures, including security, access and configuration management procedures.

**2.274 ELECTRONIC RECEIPT PROCESSING STANDARD**

All electronic commerce applications that allow for electronic receipt of credit/debit card and electronic check (ACH) transactions must be processed via the Centralized Electronic Payment Authorization System (CEPAS).

## **2.280    Extended Purchasing Program**

### **2.281    EXTENDED PURCHASING PROGRAM**

The Contract will be extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at [www.michigan.gov/mideal](http://www.michigan.gov/mideal). Upon mutual written agreement between the State of Michigan and the Contractor, this Contract may be extended to (a) State of Michigan employees, or (b) other states (including governmental subdivisions and authorized entities).

If extended, the Contractor must supply all goods and services at the established Agreement prices and terms. The State reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.

The Contractor must submit invoices to, and receive payment from, extended purchasing program members on a direct and individual basis.

## **2.290    Environmental Provision**

### **2.291    ENVIRONMENTAL PROVISION**

**Energy Efficiency Purchasing Policy:** The State seeks wherever possible to purchase energy efficient products. This includes giving preference to U.S. Environmental Protection Agency (EPA) certified 'Energy Star' products for any category of products for which EPA has established Energy Star certification. For other purchases, the State may include energy efficiency as one of the priority factors to consider when choosing among comparable products.

**Environmental Purchasing Policy:** The State of Michigan is committed to encouraging the use of products and services that impact the environment less than competing products. The State is accomplishing this by including environmental considerations in purchasing decisions, while remaining fiscally responsible, to promote practices that improve worker health, conserve natural resources, and prevent pollution. Environmental components that are to be considered include recycled content and recyclables; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which are persistent and bioaccumulative. The Contractor should be able to supply products containing recycled and environmentally preferable materials that meet performance requirements and is encouraged to offer such products throughout the duration of this Contract. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

**Hazardous Materials:** For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state or local laws governing the protection of the public health, natural resources or the environment. This includes, but is not limited to, materials the as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act.

- (a) The Contractor will use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State will provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State will advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor will immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.
- (b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State will order a suspension of Work in writing. The State will proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State will terminate the affected Work for the State's convenience.
- (c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor will resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.
- (d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor will bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

**Labeling:** Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit [http://www.michigan.gov/deq/0,1607,7-135-3310\\_4108-173523--,00.html](http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html)

**Refrigeration and Air Conditioning:** The Contractor will comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to this contract.

**Environmental Performance:** Waste Reduction Program - Contractor will establish a program to promote cost-effective waste reduction in all operations and facilities covered by this contract. The Contractor's programs will comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

## APPENDIX A

## VAS Project Cost Table

Staffing Category	Total Hours	Fixed Hourly Rate	Total Cost
Account Manager		\$124.78	\$(Total)
SME Security Technician With Greater Than 10 Years of Information Security Vulnerability Assessment- Related Experience		\$144.41	\$(Total)
Sr. Security Technician With Greater Than 7 Years to 10 Years of Information Security – Related Experience		\$125.15	\$(Total)
Mid-Level Security Technician With 3 Years to Less than 7 Years Information Security- Related Experience		\$105.52	\$(Total)
Jr. Security Technician With Less Than 3 Years Information Security-Related Experience		\$91.08	\$(Total)
Grand Total Project Cost			\$(Total)